

1. AGREEMENT

1.1. Scope of application

1.1.1. The present General Terms and Conditions apply to all sales of the Product (as defined hereafter) between Marcegaglia Carbon Steel, with registered office in Gazoldo degli Ippoliti (MN) – Italia, VAT No. 02466220205 (the “**Seller**”) and the “**Buyer**”.

1.2. Formation of the contract

1.2.1. Any Order placement by the Buyer constitutes full and unconditional acceptance of the present General Terms and Conditions. The present General Terms and Conditions might be waived by the Parties only in writings, and even in that case the present General Terms and Conditions shall continue to apply for the parts which have not been waived.

1.2.2. Any Buyer’s general conditions shall not apply, not even partially, if not expressly accepted by the Seller. The same rule shall apply in relation to any annex to the present General Terms and Conditions or to the Orders placed by the Buyer which contain provisions (a) concerning guarantees, performances and applications of the Product and/or (b) Seller’s liabilities terms different from the ones contained hereto and/or (c) in any case represent a modification of the Seller’s rights contained hereto, in relation to such provisions.

1.2.3. The beginning of the execution of the agreement by the Seller, in absence of any specific written acceptance of contractual conditions proposed by the Buyer, different from the ones contained in the Seller’s proposal, does not imply their acceptance. In case the execution of the agreement takes place before the subscription of the present General Terms and Conditions, such General Terms and Conditions shall immediately apply if published on the Seller’s website or if anyway communicated in writings to the Buyer and not challenged by the Buyer itself or in absence of a request for modification before the placement of the first Order.

1.3. Modifications of the agreement

1.3.1. Any modification to the agreement, proposed by the Buyer, shall apply only if expressly accepted in writing by the Seller.

2. SUBJECT MATTER OF THE AGREEMENT

2.1. Order

2.1.1. The present General Terms and Conditions regulate the relationships between the Seller and the Buyer established from time to time through an Order.

2.1.2. The content of the Order shall be the products of the Seller (the “**Products**”), being understood that the Seller shall have the right to refuse orders for products and quantities different from the original Order.

2.2. Technical Specification

- 2.2.1. The Products are described in the technical specification (the “**Technical Specification**”), that indicated the technical, constructional, functional, esthetical, quality and safety features, with reference to the Product and that will constitute an integral part, together with the present General Terms and Conditions and the Order, of the relationships referred to the purchase of the Product.
- 2.2.2. It is understood that in case the Parties (a) are intentioned to arrange the Technical Specification only at the time of the placement of the first Order or (b) agree to modify the content in relation to the variation of the Products during the execution of any individual order, the Technical Specification will be enclosed respectively to the first order or to the following Orders, without prejudice to the terms and conditions agreed upon hereto.
- 2.2.3. Any modification or variation to the content of the Technical Specification shall be in advance agreed upon between the Parties in writings.
- 2.2.4. The allowances (quality, weight etc.) agreed upon shall be indicated in the Technical Specification.
- 2.2.5. It is understood that in case the Technical Specification is arranged by the Buyer, the Buyer itself will assume the responsibility in relation to the technical, constructional, functional, esthetical, quality and safety features of the Product.

2.3. Non-binding details

- 2.3.1. Weights, dimensions, capacities, prices, performances, and all other data included in the catalogues, prospectus, circulars, illustrations and price lists are approximate indications. Such data will not be binding if not otherwise expressly indicated in the agreement.

2.4. Order, Forecast and minimum guaranteed

- 2.4.1. The supply of the Products will be done for the quantitative and the types of Product specified in each Order.
- 2.4.2. Products’ purchase forecasts of the Buyer are indicated in the related summary (the “**Forecast**”) with specification of the timing for such purchase.
- 2.4.3. The Buyer shall provide the Seller with periodic forecasts that shall indicate the Products’ quantitative that the Seller will be request to sell as well as the delivery dates for each calendar month.
- 2.4.4. The Buyer shall promptly inform the Seller in writings in relation to any material modification of the Forecast.

2.5. Minimum Guaranteed Purchase

- 2.5.1. The Buyer undertakes to purchase the minimum guaranteed quantitative of Products as agreed by the parties (the “**Minimum Guaranteed Purchase**”) for the different types of Products and for the schedules contained thereto.
- 2.5.2. In case, at the end of each reference period, the quantitative of Products actually purchased by the Buyer (the “**Products Actually Purchased**”) turns out to be lower than the Minimum Guaranteed Purchase, the Seller shall invoice the Buyer for the Price multiplied for the difference between the Minimum Guaranteed Purchase and the Products Actually Purchased.

3. DURATION AND OBLIGATIONS AFTER THE EXPIRATION OF THE AGREEMENT

3.1. Duration

- 3.1.1. It is understood that the present General Terms and Conditions shall apply also in the period of Phase Out as indicated in the following article 3.2.

3.2. Phase Out

- 3.2.1. “**Phase Out**” indicates the period of time between the delivery date of the last Order placed by the Buyer and a period of time of 3 (three) months. The Buyer shall expressly qualify such Order as the last of the series of supply.
- 3.2.2. During the Phase Out period:
- (i) All the assets and raw materials that are property of the Buyer (or that have been purchased and/or produced by the Seller on Buyer’s behalf) which have been used or could be used by the Seller for the production of the Products will be identified and collected and/or dismantled in order for the Buyer, at the end of such period, to be able to get them back with the costs of identification, collection, dismantling and transportation at its own expenses;
 - (ii) All the *work in progress* in relation to the Order and any other *work in progress* and/or remaining Products related to previous Orders which have not been collected yet by the Buyer and/or Products which the Buyer should have ordered pursuant to the threshold of the Minimum Guaranteed Purchase (unsold pursuant to art. 2.5.2. above) shall be purchased and collected by the Buyer, unless otherwise indicated in writings by the Seller.
- 3.2.3. During the period of Phase Out, the Buyer gives the Seller the right of first negotiation of further supplies for terms and conditions not less favourable than the market’s.

4. DELIVERY

4.1. Incoterms

- 4.1.1. Any reference to commercial terms (such as DAP, DAT, EXW, etc.) shall be considered as reference to the Incoterms of the International Chamber of Commerce, 2010 edition.

4.2. Delivery terms

- 4.2.1. Unless differently agreed in each Order, the delivery term is indicated in each Order and begins to run from the last of the following dates:
- (i) the date of conclusion of the agreement, following acceptance of the Order by the Seller;
 - (ii) the date of receipt by the Seller of the down payment, which the Parties may have agreed upon before the delivery of the Products.
- 4.2.2. Upon expiration of the delivery term, the Seller has the right to a reasonable “grace period” starting from the end of the contractual term. Only upon expiration of such grace period the Seller can be considered liable for any delivery delay.
- 4.2.3. If the delivery is delayed because of any of the circumstances provided for by article 10, or of an act or omission of the Buyer, an extension of the delivery term, taking in consideration reasonably all the circumstances of the case, shall be granted.
- 4.2.4. In case of delays in the delivery caused by the Seller after the expiration of the grace period provided for by article 4.2.2., the Buyer could request, after formal written notice to the Seller, the indemnification of the actual damages suffered and proved by the Buyer, within the maximum limit of 10% of the price of the Products delivered with delay.
- 4.2.5. If the Buyer does not collect the Products in the place and time indicated in the agreement for whatsoever reason which cannot be attributed to the Seller, the Buyer shall in any case perform all the payments under the agreement as if the Products were delivered. In that case, the Seller shall take care of stocking the Products, at the Buyer’s own expenses and risks. In addition, the Seller has the right to be reimbursed for all the proved expenses which it may have incurred in during the execution of the agreement, among which, as mere example, stocking expenses not covered by the payments received, save the right to any other action against the Buyer due to the failure of collect the Products.

4.3. Shipping documents

- 4.3.1. Unless otherwise agreed, it is up to the Seller to decide the shipping way and the means of transport, as well as to take care of the choice of the forwarders and of the carriers.

- 4.3.2. Unless otherwise agreed, the delivery note as well as the registration, packaging, identification, collection, sending, carrying and restitution documents of the Products will be prepared by the Seller according to its logistic procedures.
- 4.3.3. The Seller shall be entitled to use electronic delivery notes, according to its operating standards.

5. PASSAGE OF THE RISK – PASSAGE OF THE OWNERSHIP

5.1. Passage of the risk

- 5.1.1. Unless otherwise agreed between the Parties, the risks will pass to the Buyer at the arrival of the Products in the place agreed upon for the delivery and from the moment in which the Buyer should take over the Products delivered pursuant to the applicable Incoterm 2010.
- 5.1.2. The Seller shall not be liable in any case for deterioration of or damages to the Products which have occurred after the passage of risks. The Buyer is not released from any obligation to pay the Price if the deterioration or damages to the Products occurs after the passage of the risks.

5.2. Passage of the ownership

- 5.2.1. The passage of the ownership on the Products to the Buyer shall take place exclusively upon integral payment of the Products.

5.3. Retention of ownership

- 5.3.1. In case of deferred payments, the Products shall remain property of the Seller until the integral payment of the Price, in the measure allowed by the law of the Country in which the Products are located.
- 5.3.2. The Buyer undertakes to do anything necessary to constitute a valid retention of ownership in the most extended form possible, or to constitute an equal guarantee (such as Security Interest, etc.), in favour of the Seller; the Buyer undertakes to cooperate with the Seller to implement all the necessary measures to protect the Seller's right of ownership. The Seller is entitled to carry out all the necessary formalities in order to make the Seller's retention of ownership right enforceable against any third party.

6. PRICES - PAYMENTS

6.1. Prices

- 6.1.1. Prices are listed in the Seller's price list ("**Prices**").
- 6.1.2. Prices of Products are revised taking into account the following:
- (i) Variations of costs for the Seller for purchasing raw materials and for the production process;
 - (ii) Amount of Products ordered by the Buyer.
- 6.1.3. Whether the Parties do not agree on the Prices revision, Prices applied to the last Order apply to the supply of the Products in the process to be manufactured and of the Products for whose production the Seller already ordered the relevant raw material.

6.2. Terms and conditions for payment

- 6.2.1. If the Parties agreed to postpone the payment after the delivery, the payment must be done, unless otherwise specified, within thirty (30) days after the invoice date, by means of bank receipt, bank transfer or other agreed means of payment. The payment is deemed to be done when the money is available for the Seller in his Italian bank.
- 6.2.2. Where the Parties agreed to anticipate the payment before the delivery without any further specification, it is presumed the payment refers to the entire Price. Unless the Parties agree otherwise, the anticipate payment must be done on the Seller's checking account at least thirty (30) days before the agreed delivery.
- 6.2.3. Where the Parties agreed on the payment to be carried out *via* letter of credit, the Buyer, unless otherwise agreed, shall ensure that an irrevocable letter of credit, issued according to ICC's Uniform Customs and Practice on letter of credit (Publication n. 500), will be notified to the Seller at the order confirmation. The letter of credit shall be attested by an Italian bank among the ones the Seller likes and, unless otherwise agreed, shall be payable at sight.
- 6.2.4. Where the Parties agreed on the payment against documents, the payment will be, unless otherwise agreed, Documents Against Payment.
- 6.2.5. Unless otherwise agreed, possible costs or bank commissions due in relation to the payment are to be paid by the Buyer.

6.3. Traceability and dedicated checking account

- 6.3.1. The Buyer, in his Order, shall expressly specify if the ordered Products are directly or indirectly intended for public bodies' agreements supplies, so that the Seller can carry out the traceability obligations provided for in article 3 of Law 13 August 2010 no. 136, particularly for what concerns the declaration about the dedicated checking account.

6.4. Default interests

- 6.4.1. In case of a delay in payment with respect to the agreed deadline, the Seller can ask the default interests to the Buyer at the rate set by the EC Directive no. 35/2000. The interests count starts from the deadline for payment and ends the day of the actual payment. It is understood that the Seller keeps his rights to claim for any possible damage.

6.5. Consequences of a delay in payment or of a failure to pay

- 6.5.1. A delay or a failure in paying entails that:
- (i) the Seller can stop the execution of the current Orders and refuse to accept new orders until the unpaid invoices are totally paid;
 - (ii) after sending a written warning for the payment to be carried out within the following fifteen (15) days, the Seller can ask for the

immediate full payment of all the unpaid invoices, regardless of their expiration date;

(iii) after sending a written warning for the payment to be carried out within the following thirteen (30) days, the Seller can terminate all the agreements entered into with the Buyer. Such termination will have effect on all the Orders which have not yet been paid, whether or not the relative Products have been delivered, regardless of the delivery date.

6.5.2. If the Buyer's failure in fulfilling his contractual obligations turns out to be due to financial problems (in particular, in case of stop in paying, enter in a insolvency procedure, experience repossession of goods or executions, notification of unpaid bills or allowances and revocation of financial loans, revocation of credit from credit insurance companies, either between the Parties or in relation to third parties), the Seller can, at his discretion, ask for payment of the unpaid invoices and/or suspend the supply of Products until the Buyer pays or gives the Seller a payment guarantee in the form the Seller prefers.

6.6. Compensation – suspension of payments

6.6.1. The Buyer cannot compensate his payments due to the Seller with any credit or claim, neither with compensations for damages according to article 4.2.4., unless authorized to do so by the Seller.

6.6.2. Where the Seller authorizes the Buyer to carry out a compensation, the maximum amount of money the Buyer can compensate in case of damages resulting from defect or failure of the Product will be equal to the Price of the defected or failed Product.

6.6.3. Any claim arising from the Buyer or anyhow arising between the Parties cannot suspend or delay the Buyer's obligation to pay the due amount at the due date, nor the other obligations agreed on, and the Parties expressly renounce to any exception whatsoever.

6.7. Payment guarantees

6.7.1. Where it has been fixed that the payment must come with a bank guarantee, the Buyer, together with the order confirmation, must provide the Seller with a bank demand guarantee, issued according to the ICC's Uniform Rules for Demand Guarantees by a primary Italian bank and payable against simple Seller's declaration of not having received the payment within the agreed deadline.

6.7.2. Save for what is fixed by article 1.1.3 above, other possible forms of guarantee released by the Buyer for purchases done by other Buyers will be ruled by a separate guarantee agreement.

6.7.3. The Parties can agree on specific payment guarantees in favor of the Seller (suretyship released by a primary bank or insurance agency; registration of a

mortgage upon real estate or machinery). The Parties agree on such guarantees in a separate act.

- 6.7.4. In case the Buyer or his guarantors do not perform the agreed guarantees according to the agreed terms and conditions, the Seller can suspend the execution of his obligations and the Buyer will not have anything to claim. After thirty (30) days from the expected day of the guarantee payment the Seller can terminate the agreement.

7. CONTROLS – CERTIFICATIONS – PRODUCTS GUARANTEE

7.1. Controls and returned goods

- 7.1.1. Immediately after receiving the Products, the Buyer shall examine the packaging to detect any sign of damage or tampering. In case the Buyer finds some damages or alterations, he has to immediately communicate it to the carrier and write it on the delivery note. General reports as “*damaged packaging*” or “*accepted with reserve*”, without indicating the specific damage or the number of damaged packages is not enough. An acceptance with reserve of the Products without a reason or with an ungrounded reason is not effective.
- 7.1.2. As soon as the Products reach the place of delivery, the Buyer shall verify the products and the transport documents. The Buyer, within two (2) working days from the reception shall communicate in writing to the Seller any failure or damage of the Products, loss occurred during the transport or mistakes in the documentation. After such period of time, the Products shall be deemed fully and unconditionally accepted by the Buyer.
- 7.1.3. The prior and explicit consent of the Seller is an essential condition to the return of the Products. Products returned without such consent are deemed purchased by the Buyer.
- 7.1.4. If the Seller gives his consent to the return of the damaged Products for their reparation or substitution, the Buyer bears the risk and the costs of the transport, unless otherwise agreed. The costs and risk of the restitution of the repaired or substituted Products to the Buyer will be borne by the Seller, unless otherwise agreed.

7.2. Certificates

- 7.2.1. The Seller, if asked to do so by the Buyer, shall give the Buyer the quality certificates referred to in the Technical Specification or in any other document attesting the compliance of the Products with the specific information set forth in the Technical Specification.
- 7.2.2. The Parties can agree on the issuance of further quality certificates by independent certification bodies (i.e. *bureau veritas*) or the issuance of certificates by subjects appointed by the Buyer.

7.3. Guarantee

- 7.3.1. The Seller guarantees that all the Products conform to the Technical Specification and to the issued certificates (within the tolerates levels of compliance either set forth in the Technical Specification, agreed by the Parties or according to international standards) for twelve (12) months from the delivery of the Products or for the alternative possible shorter period fixed by the international standards.
- 7.3.2. The Seller does not guarantee the correspondence between the Products and particular requisites or technical characteristics or their suitability to a specific use (made by the Buyer or other final users) if those requisites and characteristics have not been expressly mentioned in the documents of the agreement.
- 7.3.3. The Seller's guarantee does not cover the defects deriving from a faulty workmanship, maintenance or repairing process carried out by subjects different than the Seller or his delegates, nor covers the defects deriving from the normal wear and tear. The Seller is not responsible for compliance defects and for faults caused after the burden of the risks passed to the Buyer.
- 7.3.4. The guarantee hereof absorbs and substitutes the guarantees and liabilities provided for by the law and excludes any other liability of the Seller however caused by the Products; in particular the Buyer cannot claim for other damages, price reduction or termination of the agreement. Once the guarantee expires no claim can be made against the Seller.
- 7.3.5. The guarantee hereof is granted by the Seller only to the Buyer and does not operate towards third parties such as Buyer's clients, unless otherwise agreed.

7.4. Disputes – Remedies

- 7.4.1. In case of defects, lack of quality or conformity of the Products, the Seller must either repair or substitute the defective Products, at his sole choice. It is up to the Seller to ask the Buyer the scrapping on site, being understood that the Buyer will receive a compensation amounting to the value of the Product minus the value of the scrapped item.
- 7.4.2. Even during the guarantee period, possible faults or defects of the delivered Products cannot be denounced by the Buyer if the Products have already been used by the Buyer or incorporated in products, machinery or plants of the Buyer's final customer.
- 7.4.3. To take advantage of the remedies set forth under article 7.4.1., the Buyer must notify in writing to the Seller the faults, lack of quality and defects according to the applicable law, specifying the reason of the claim.
- 7.4.4. The Seller can, at his sole discretion, carry out inspections and verify the Products claimed to be defected. Where the Seller, after the inspection, does not find true the defects denounced by the Buyer, the Seller and the Buyer shall make any reasonable effort to find a friendly solution.

- 7.4.5. Where the Parties do not come to a friendly solution, the dispute shall be solved by an independent expert, according to the following procedure:
- (i) the Party that intends to start the procedure shall communicate it in writing to the other party, indicating the expert it wants to appoint;
 - (ii) within ten (10) days after receiving such communication, the other Party can accept the suggested expert, *via* a written communication; in such case the expert is deemed appointed;
 - (iii) where the indicated expert is not accepted within ten (10) days, an expert will be appointed by the Chamber of Arbitration of Milan, upon request of the most diligent Party;
 - (iv) the expert so appointed shall decide upon the dispute within thirty (30) days from his appointment, determining the Party that shall bear the burden of the technical report (or the way the relative cost shall be shared between the Parties);
 - (v) the expert shall promptly and simultaneously communicate his decision to the Parties;
 - (vi) the expert decision shall be binding for the Parties.
- 7.4.6. The Buyer will not repair nor substitute the Products claimed to be defected, nor he will ask a third party to carry out such operations during the procedure set forth in article 2.4.5., unless authorized to do so by the Seller.

8. LIMITATION OF LIABILITY – LIMIT OF THE DAMAGES

8.1. Limitation of liability

- 8.1.1. The Seller shall not be deemed liable for any indirect or consequent damage caused by the Products, included, by way of example, (direct or indirect) loss in earning, loss in turnover, withdrawal of products.
- 8.1.2. The Buyer cannot claim any compensation for injuries to people or damages to objects other than the Products, unless it is clear from the circumstances that the Seller acted with gross negligence.
- 8.1.3. “Gross negligence” does not include any fail in caring or checking, but it specifically means an act or omission of the Seller that implies either a fail in taking into account the serious consequences that a scrupulous supplier should have taken into account as possible consequences, or an open indifference of any consequences coming from such act or omission.

8.2. Limit of the damages

- 8.2.1. Where the Seller must compensate for damages the Buyer, such damages cannot be higher than the damage the Seller could reasonably foresee when entering into the agreement.
- 8.2.2. When claiming the non-execution of the agreement, the Buyer must act as to reduce as much as possible the loss occurred. If the Buyer does not perform in such way, the Seller can ask for a reduction of the damages.
- 8.2.3. It is understood that the compensation for damages the Seller should pay to the Buyer cannot be higher than the cost of the defected Product.

9. LIABILITY OF THE BUYER – TRACEABILITY

9.1. Liability of the Buyer

9.1.1. The Buyer shall ascertain that the Products conform to the Laws of their Country of destination and he will promptly inform the Seller, in any case before their selling, of any change to be done; in such case the Seller is free to refuse the Order or to charge a higher cost.

9.2. Traceability

9.2.1. The Buyer shall provide the Seller with all the relevant documents and data to trace his final clients that will buy the Products or the Products' final use.

9.2.2. It is understood that any liability that can derive from the Products for reasons arising after the transfer of the risk to the Buyer, included damages to people or goods, will be entirely upon the Buyer, that shall keep indemnified the Seller and that undertakes to adequately insure any risk, with no right of recourse to the Seller. The Buyer agrees to be called into question in case a third party, included Buyers' final customers, proceeds against the Seller.

10. FORCE MAJEURE

10.1. Exemption from execution: causes

10.1.1. Both Parties can suspend the execution of their contractual duties when such execution becomes impossible or irrationally expensive because an unforeseeable event, independent from their will: e.g. in case of the occurrence of one or more of the following impediments:

[a] war (whether declared or not), armed conflict or the serious threat of same (including but not limited to hostile attack, blockade, military embargo), hostilities,

invasion, act of a foreign enemy, extensive military mobilisation;

[b] civil war, riot rebellion and revolution, military or usurped power, insurrection, civil commotion or disorder, mob violence, act of civil disobedience;

[c] act of terrorism, sabotage or piracy;

[d] act of authority whether lawful or unlawful, compliance with any law or governmental order, rule, regulation or direction, curfew restriction, expropriation, compulsory acquisition, seizure of works, requisition, nationalisation, price controls or restrictions and relevant duties;

[e] act of God, plague, epidemic, natural disaster such as but not limited to violent storm, cyclone, typhoon, hurricane, tornado, blizzard, earthquake, volcanic activity, landslide, tidal wave, tsunami, flood, damage or destruction by lightning, drought;

[f] explosion, fire, destruction of machines, equipment, factories and of any kind of installation, prolonged break-down of transport, telecommunication or electric current;

[g] general labour disturbance such as but not limited to boycott, strike and lock-out go-slow, occupation of factories and premises.

10.1.2. A party successfully invoking this Clause is relieved from its duty to perform its obligations under the contract from the time at which the impediment causes the failure to perform if notice thereof is given without delay or, if notice thereof is not given without delay, from the time at which notice thereof reaches the other party.

10.1.3. A party successfully invoking this Clause is, relieved from any liability in damages or any other contractual remedy for breach of contract.

10.1.4. Where the suspension caused by force majeure lasts more than six (6) weeks, each Party can terminate the agreement, sending a ten (10) days written notice of withdrawal to the other party.

10.2. Costs

10.2.1. If the agreement terminates pursuant to article 10.1.3., the costs of the agreement execution are shared between the Parties upon agreement.

10.2.2. If the Parties do not agree, the expert appointed according to the procedure set forth under article 7.4.5. shall decide which Party was impeded to carry out its obligations and shall determine the costs to be repaid accordingly. If the expert decides that both Parties could not perform their obligations, he proportionally shares the abovementioned costs in a reasonable and equal way, taking into account the relevant circumstances.

10.2.3. To the effects of article 10.2., the word “costs” means the effective reasonable expenses experienced by both Parties after doing what is possible to reduce their loss.

11. KNOW HOW – BRANDS

11.1. Know how

11.1.1. All the technical documents and know how, either patented or not (the “Confidential Information”), communicated by the Seller in reason of the agreement belong exclusively to the Seller and therefore cannot be copied, communicated to third parties or used by the Buyer and/or by third parties. The Buyer undertakes to keep as safe as possible the Confidential Information.

11.1.2. The Confidential Information shall be used by the Buyer only to execute the present agreement and cannot be used for other reasons.

11.2. Brands

11.2.1. The execution of an Order does not give any right to the Buyer upon the brands of the Seller, his hallmarks, logos and on the name “Marcegaglia”.

11.2.2. In case the Buyer does not conform to article 11.2.1. and the law concerning brands and copyright, the Seller has the right to act according to the law on intellectual property as well as according to the law on unfair competition.

12. TERMINATION – WITHDRAWAL

12.1. Termination

12.1.1. The Seller can terminate the agreement entered into according to those General Terms and Conditions and any order without prior notice, only sending to the Buyer a registered letter or a fax in the following cases:

- (i) the Buyer does not pay the price agreed within fifteen (15) day from the formal sending of a notice to comply by the Seller;
- (ii) the Buyer refuses or omits to take the delivered Products even though they conform to the General Terms and Conditions and to the relevant Order;
- (iii) the Buyer does not buy the Guaranteed Minimum set forth in article 2.5;
- (iv) the Buyer does not issue the payment guarantee pursuant to article 6.7.

12.1.2. In case of termination by the Seller of the agreement entered into according to those General Terms and Conditions and of the relevant Order pursuant to article 12.1.1., save for the right to claim for damages, the Seller can ask the payment of all the money the Buyer should pay, as such money becomes immediately due; he can also dispose about the Products; he has no obligation anymore to supply Products to the Buyer; the Buyer shall pay any damage and related costs.

12.2. Withdrawal for juste cause

12.2.1. The Seller can withdraw from the agreement entered into according to those General Terms and Conditions and from any Order, via a simple written notice to the Buyer if:

- (i) The Buyer either goes bankrupted or becomes insolvent or an administrator is appointed or anyhow he is under any insolvency procedure;
- (ii) The Buyer enters into a winding-up procedure, either voluntary or not;
- (iii) The Buyer either merges or is acquired or transfers his goods to a competitor of the Seller.

12.3. Withdrawal of the Seller

12.3.1. The Seller can withdraw from the agreement entered into according to those General Terms and Conditions for any reason whatsoever, sending a prior written notice before thirty (30) days.

12.3.2. If the Seller withdraw, he has not to pay any fine, indemnity or compensation to the Buyer, provided that he still has to perform the pending Orders.

13. DEDICATED CAPITAL INVESTMENTS

13.1. Dedicated capital investments

13.1.1. If the execution of the supply causes the necessity to perform investments in order to have instruments, machinery, plants, hire specialized employees or use areas (i) different from the instruments, machinery, plants, employees or areas being used by the Seller for his business at the moment and (ii) specifically and mainly related to the execution of the supply asked by the Buyer to the Seller (jointly, the "***Dedicated Capital Investments***"), the Parties shall rule with separate agreement the terms and conditions (included, with no limitation, costs and ownership) related to the Dedicated Capital Investments.

13.1.2. If in such agreement it is convened that all or some of the elements of the Dedicated Capital Investments belong from the beginning or at the end of the agreement to the Buyer, the rules set herein for the Phase Out shall apply.

14. APPLICABLE LAW – COMPETENT COURT

14.1. Applicable law

14.1.1. All the agreements and orders pursuant to those General Terms and Conditions are ruled by Italian Law, included the UN Convention on International Sale of Goods (Wien 1980) in case the Buyer is not Italian.

14.2. Jurisdiction - Competent court

14.2.1. All the disputes arising from this agreement or in relation to it shall be solved by means of arbitration by three arbitrators appointed and acting according to Milan Arbitration Chamber Regulation.

14.2.2. Regardless of what set above, the Seller can decide in any case to make the Italian Courts, namely Mantua Court, exclusively decide the issue.

15. COMPLIANCE WITH THE CODE OF ETHICS AND MODEL UNDER LEGISLATIVE DECREE 231/01

15.1. Code Of Ethics and Organizational

15.1.1. The Buyer, with reference to the relationship with the Seller, upon signature of this document, undertakes, also on behalf of its personnel, in accordance with Article 1381 Civil Code, to duly comply with the provisions set under the Code of Ethics and the Organizational, management and control model under Legislative Decree 231 /2001, adopted by the Seller and available at website www.marcegaglia.com, accepting and fully acknowledging the content thereof.

15.1.2. In the event of breach of said Code of Ethics and the Organizational, management and control model attributable to the Buyer and/or of its commitment for trial and/or criminal sentence under Article 444 Criminal Procedural Code) with reference to crimes provided by Legislative Decree 231 /2001, the Seller shall be entitled to terminate the contract, even, in case of serious breach, with immediate effect under Article 1456 Civil Code, by written communication to be sent also via fax or via certified e-mail system. The above, without prejudice for any further remedy available under applicable law, including but not limited to the compensation for the suffered damages (if any).
