

1. Scope

These general terms and conditions of sale ("**General Terms and Conditions**" or "**GTC**") shall apply and shall be deemed incorporated into any and all sales by **PASUTO S.R.L.**, an Italian company with its principal place of business in Italy, Santa Maria di Sala (Ve), Via delle Industrie n. 4 ("**Seller**"), of its products or services ("**Goods**") to any buyer of Goods ("**Buyer**"). These GTC are part of Seller's order confirmation ("**Order Confirmation**") and govern the purchase and sale of the Goods specified in the Order Confirmation regardless of any prior offer made to Seller by Buyer, or prior course of dealing between the Seller and Buyer. Any additional or different terms and conditions or contract forms of Buyer are hereby rejected by Seller and shall not become part of the contract or terms of sale unless such terms and conditions or contract forms are expressly assented to in a written instrument signed by an authorized representative of the Seller.

2. Formation of contracts

2.1 A legal transaction shall be effected at the earliest upon the issuance of the Order Confirmation of Seller or the Delivery of the Goods (as defined herein), whichever occurs earlier ("**Contract**"). "**Delivery**" means when the Seller has delivered the Goods in accordance with Clause 5. of these GTC.

2.2 If the Order Confirmation deviates from Buyer's offer, the Contract shall be formed according to the Order Confirmation, including these General Terms and Conditions which are hereby incorporated into the Order Confirmation. If an acknowledgement of an Order Confirmation or any other correspondence of Buyer contains supplements to or deviations from the Order Confirmation, they shall not be deemed agreed upon and shall not be incorporated into the Contract.

2.3 Any quotation and/or statement of Seller is given on the basis that no contract will come into existence until the Seller issues the Seller's Order Confirmation to the Buyer or the Delivery of the Goods.

2.4 In addition to the Order Confirmation and these General Terms and Conditions, the Contract shall include any additional terms and conditions specified by Seller in documents referred to or accompanying the Order Confirmation.

3. Prices and taxes

Unless otherwise specified on the Order Confirmation, all prices confirmed by Seller are in Euro and are EXW Sellers' facility either in Santa Maria di Sala (VE), Italy or in Massanzago (PD), Italy (Incoterms® 2020) and do not include any applicable sale, use or other taxes, or other governmental charges imposed upon the production, shipment, sale or use of the Goods covered hereby ("**Additional Charges**"), all of which shall be paid by the Buyer to (i) the Seller upon issuance of an invoice by the Seller to the Buyer for any such Additional Charges, or (ii) to the relevant taxing authority, as required by the relevant taxing authority.

4. Payment terms

4.1 No payment shall be deemed to have been received until the Seller has received cleared funds.

4.2 Payment is due by the date and in accordance with the payment terms and instructions stated on the Order Confirmation or Seller invoice (whichever date is the earlier) but Seller may require security for payment before dispatch in the circumstances described in Clause 10.3. If neither the Order Confirmation nor Seller invoice nor any other arrangement between Seller and Buyer specifies a date by which payment must be made, payment in full will be due the date of receipt by Buyer of Seller's invoice for the relevant Goods. Seller shall be entitled to demand payment in full for the Goods without any withholding including for VAT or other forms of taxes, notwithstanding that ownership in any of those Goods has not passed from Seller to Buyer.

4.3 Payments received will be credited against the oldest outstanding invoice plus any interest accrued thereon by reason of late payment. Seller may offset sums received from Buyer against any debt due to Seller from Buyer, irrespective of any purported appropriation or apportionment by Buyer. Buyer may not withhold payment of any invoice or other amount due to Seller by reason of any right of set-off, counterclaim, discount, deduction, withholding, abatement or otherwise which Buyer may have or allege to have or for any reason whatever.

4.4 If Seller does not receive any payment by the due

date as set forth in the Order Confirmation, Buyer shall pay to Seller as a late charge and not as a penalty interest on the unpaid balance from the due date stated in Seller's Order Confirmation or invoice until payment is actually received by Seller, at a rate equal to 8% per annum or the maximum amount permitted by applicable law, whichever is higher. The Buyer shall compensate the Seller for any currency losses suffered by the Seller as a result of the Buyer's failure to pay on the due date for payment or where Buyer does not pay in the currency as quoted in the Order Confirmation.

5. Delivery and risk of loss

5.1 Delivery dates quoted by Seller in a quote or on the Order Confirmation are the dates the Goods are forecasted by the Seller to be ready for shipment and are given or accepted by Seller in good faith but are not guaranteed. Notwithstanding that the Seller may have failed to deliver the Goods (or any portion thereof) promptly, the Buyer shall be bound to accept and to pay for the Goods in full. Delays in the Delivery of the Goods may occur, and Buyer agrees that time is not of the essence for Delivery of the Goods.

5.2 The Buyer shall be responsible for all storage, insurance and other costs relating to Buyer's failure to accept Delivery and all such charges incurred by the Seller shall be paid by Buyer within 30 days of submission of an invoice. In addition, if Buyer fails to take Delivery of the Goods or fails to give the Seller adequate delivery instructions, documents, licenses or authorizations to enable the Seller to deliver at the time stated for Delivery then all risks in the Goods will pass to Buyer, the Goods will be deemed to have been delivered and without prejudice to any other right or remedy available to Seller, Seller may charge Buyer for any incurred expense or cost.

5.3 Unless otherwise specified on the Order Confirmation, the Delivery of all Goods shall be EXW Sellers' facility either in Santa Maria di Sala (VE), Italy

or in Massanzago (PD), Italy (Incoterms® 2020) and risk of loss or damage to the Goods will pass to Buyer on Seller's Delivery of Goods for pickup by the carrier. Following Delivery, any claims for losses or damage shall be made directly by Buyer against the carrier. If the Order Confirmation specifies a term other than Incoterm 2020 EXW (for example, CPT or CIP), Delivery shall be in accordance with such Incoterm 2020, including the allocation of risk of loss or damage, and costs.

5.4 Seller may reject transports, containers or storage presented for loading/unloading/transfer or handling which, in Seller's sole discretion, would present an unsafe or potentially an unsafe situation. For all Deliveries, Buyer is solely responsible for offloading or unloading all Goods. To the extent Buyer fails to offload or unload the entire quantity of Goods from the transport or container utilized for shipment (i) any residual or remaining Goods shall be deemed to have been abandoned by Buyer for the beneficial use or re-use by Seller, and will become the property of Seller when received and accepted by Seller at the place of origin; (ii) Buyer will not receive credit, payment or other consideration for any such residual or remaining Goods; and (iii) Buyer is solely responsible for the transportation of such residual or remaining Goods (including freight charges, shipping documents, and compliance with all laws related thereto) until received and accepted by Seller at the place of origin.

5.5 The Buyer shall accept Goods delivered by Seller which deviate from the agreed specification within manufacturing tolerances accepted in the trade, and weights or quantities varying by not more than 10% from the Contract weight or quantity, and shall pay, pro-rata for the actual weight or quantity delivered. The weight or quantity stated on Seller's packing list shall be conclusive evidence of the amount delivered to and received by Buyer except in cases of manifest error.

5.6 Each Delivery shall be treated as a separate Contract, and partial deliveries are permitted unless otherwise stated on Seller's Order Confirmation. Accordingly, failure to make any particular Delivery, or any breach by Seller's obligation under a Contract relating thereto, shall not affect any remaining deliveries and shall not entitle Buyer to treat the Contract, the Order Confirmation related thereto, or any other Contract or Order Confirmation as cancelled or repudiated. In the event of separate Contracts under this Clause, each separate Contract shall be governed by these GTCs.

5.7 Returnable packaging will be charged to Buyer, but if returned empty, clean, securely closed and in good condition within 30 days after receipt by Buyer, Seller will credit Buyer with the amount charged. Any special packaging requirements will incur a nonrefundable additional charge.

6. Seller's warranty

6.1 The Seller warrants that, upon Delivery, the Goods:

- A. are sold with good title; and
- B. will, subject to Clause 6.4 and 6.5 below, (i) comply in all material respects with the Seller's current published product data sheets or (ii) where there are no product data sheets, that they comply in all material respects (subject to the tolerances referred to in Clause 5.5 above) with any specification

appearing on the Order Confirmation (the "**Seller's Warranty**") and (iii) are made with sound materials and workmanship to normal standards accepted in the Seller's industry for products such as the Goods.

The Seller's Warranty is given on the condition that any instructions (oral or written) of Seller relating to the Goods (including, but without limitation, their storage or use) and good trade practice are strictly complied with.

6.2 Buyer shall examine the Goods immediately upon receipt. Buyer shall immediately notify the Seller, and in any event within 3 days of receipt of Goods, of any incomplete or failed Delivery, loss or damage during shipment. If the Goods otherwise fail to comply with the Seller's Warranty, Buyer must notify the Seller within 15 days after the date when Buyer became or ought reasonably to have become aware of any of the above, and in any event within 3 months from the date of Delivery.

Buyer shall be treated as having waived all claims connected with the matter which should have been notified and deemed to have accepted the Goods and Seller shall have no liability whatsoever to Buyer in respect of those Goods if Buyer does not so notify Seller or makes any further use of such Goods after giving such notice.

6.3 Subject to Clause 6.2 if it is shown to the Seller's reasonable satisfaction that the Goods fail materially to comply with the Seller's Warranty or there was an incomplete or failed Delivery, or loss or damage during shipment, Seller shall be given a reasonable opportunity to correct such failure, and, if Seller does not or is unable to do so, Seller will, at the Seller's option, either refund the price of the Goods at the pro rata Contract rate (or, if the Goods have depreciated for reasons other than the Seller's default or have been used or put into process, a reasonable part of the net Contract price), or replace the Goods (or the defective part of the Goods) (if reasonably practicable) within a reasonable time, free of charge. Such correction, refund or replacement shall be Seller's sole liability in relation to any such failure. Replacement of the Goods are covered by these General Terms and Conditions, including the Seller's Warranty. Goods which are alleged not to comply with the Seller's Warranty shall as far as possible be preserved for inspection by Seller, and if replaced or if a refund is made shall be returned to the Seller (at the Seller's cost) if the Seller reasonably so requests. Buyer's sole and exclusive remedy for nonconforming Goods is the refund or replacement specified in this Clause.

6.4 Clause 6.1 and the Seller's Warranty does not apply to seconds, remainder stock, samples, or to Goods sold as obsolete, sub-standard or waste, or to Goods sold or marketed as still in the testing phase (together, the "**Substandard and Testing Goods**"). For the avoidance of doubt, Clauses 6.2 and 6.3 do not apply to the Substandard and Testing Goods, except with respect to an incomplete or failed Delivery, or loss or damage during shipment.

6.5 Seller reserves the right to amend the specification of the Goods, which amendment shall be applicable to all Goods not yet subject to an Order Confirmation, in particular if required by any applicable statutory, regulatory or governmental requirements.

7. DISCLAIMER OF WARRANTIES

7.1 TO THE FULLEST EXTENT PERMISSIBLE BY LAW, SELLER HEREBY DISCLAIMS ALL WARRANTIES EXCEPT THOSE UNDER THIS CLAUSE, WHETHER EXPRESS OR IMPLIED, WITH RESPECT TO THE GOODS, INCLUDING THOSE OF MERCHANTABILITY, NON-INFRINGEMENT, OR FITNESS FOR A PARTICULAR PURPOSE AND BUYER HEREBY WAIVES ANY AND ALL CLAIMS ARISING THEREFROM. ALL STATEMENTS (WHETHER WRITTEN OR ORAL), DRAWINGS, PHOTOGRAPHS, SPECIFICATIONS AND ADVERTISING ISSUED BY SELLER AND ANY DESCRIPTIONS OR ILLUSTRATIONS CONTAINED IN THE SELLER'S CATALOGUES OR BROCHURES ARE ISSUED OR PUBLISHED FOR THE SOLE PURPOSE OF GIVING AN APPROXIMATE IDEA OF THE GOODS DESCRIBED IN THEM. THEY WILL NOT FORM PART OF THE CONTRACT AND MAY NOT BE RELIED UPON BY BUYER.

7.2 THE SELLER'S WARRANTY IS IN SUBSTITUTION FOR ANY OTHER WARRANTIES, OBLIGATIONS, REPRESENTATIONS, LIABILITIES, RIGHTS, TERMS OR CONDITIONS (WHETHER THEY ARE EXPRESS OR IMPLIED, OR ARISE IN CONTRACT, TORT, COMMON LAW, STATUTE OR OTHERWISE, AND IRRESPECTIVE OF THE NEGLIGENCE OF SELLER, ITS EMPLOYEES, AGENTS OR SUB-CONTRACTORS) IN CONNECTION WITH THE GOODS (INCLUDING, WITHOUT LIMITATION, ANY RELATING TO CONDITION, PERFORMANCE, SATISFACTORY QUALITY, FITNESS FOR PURPOSE, CONFORMITY WITH DESCRIPTION OR SAMPLE, CARE AND SKILL OR COMPLIANCE WITH REPRESENTATIONS, BUT EXCLUDING IMPLIED STATUTORY WARRANTIES RELATING TO TITLE), AND ALL SUCH WARRANTIES, OBLIGATIONS, REPRESENTATIONS, LIABILITIES, RIGHTS, TERMS OR CONDITIONS ARE TO THE FULLEST EXTENT PERMITTED BY LAW HEREBY EXPRESSLY EXCLUDED AND BUYER HEREBY ACKNOWLEDGES THAT IT SHALL HAVE NO CLAIMS ARISING THEREFROM. THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF.

8. LIMITATION OF LIABILITY

8.1 TO THE FULLEST EXTENT PERMISSIBLE BY LAW AND WITHOUT PREJUDICE TO ANY OTHER LIMITATION OF THE SELLER'S LIABILITY (WHETHER EFFECTIVE OR NOT):

- A. SELLER SHALL IN ANY CASE NOT BE LIABLE (IN CONTRACT, TORT OR OTHERWISE) FOR SLIGHT OR (SIMPLE) GROSS NEGLIGENT ACTS.
- B. IN NO CIRCUMSTANCES WHATEVER SHALL SELLER BE LIABLE (IN CONTRACT, TORT OR OTHERWISE, AND IRRESPECTIVE OF ANY NEGLIGENCE OR OTHER ACT, DEFAULT OR OMISSION OF SELLER OR ITS EMPLOYEES, AGENTS OR SUB-CONTRACTORS) FOR ANY:
 - (i) LOSS OF GOODWILL, BUSINESS OR REVENUE OR ANTICIPATED SAVINGS;
 - (ii) LOSS OF USE;
 - (iii) LOSS OF REPUTATION;
 - (iv) LOSS OF PROFITS OR ANTICIPATED PROFITS OR USE OR COSTS;

- (v) EXPENSES INCURRED BY BUYER (INCLUDING ANY LEGAL COSTS AND EXPENSES) IN ATTEMPTING TO ENFORCE ANY OF ITS RIGHTS UNDER THIS CONTRACT;
 - (vi) INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES OR LOSSES OR OTHER CLAIMS FOR CONSEQUENTIAL COMPENSATION WHATSOEVER (HOWSOEVER CAUSED) WHICH ARISE OUT OF OR ARE IN CONNECTION WITH THE GOODS OR THE CONTRACT;
 - (vii) ANY DAMAGES OR LOSSES (DIRECT, INDIRECT OR CONSEQUENTIAL) ARISING OUT OF OR RELATED TO BUYER'S RESALE, OR INTENDED RESALE, OF THE GOODS (OR OTHER GOODS OR SERVICES INCORPORATING, OR RELIANT ON, THE GOODS) TO A THIRD PARTY;
 - (viii) ANY THIRD PARTY CLAIMS, IN CONNECTION WITH THE GOODS, SUBSTANDARD AND TESTING GOODS OR THE CONTRACT, ESPECIALLY BUT NOT LIMITED TO CLAIMS FOR INJURY TO PERSON OR PROPERTY; OR
 - (ix) ANY LIABILITY FOR BUYER'S INABILITY TO OBTAIN SUBSTITUTE GOODS IN THE MARKET.
- C. SELLER'S TOTAL AGGREGATE LIABILITY IN CONNECTION WITH THE GOODS OR THE CONTRACT (IN CONTRACT, TORT OR OTHERWISE AND WHETHER OR NOT RELATED TO ANY BREACH OF STATUTORY DUTY, MISREPRESENTATION, NEGLIGENCE OR OTHER ACT, DEFAULT OR OMISSION OF SELLER OR ITS EMPLOYEES, AGENTS OR SUB-CONTRACTORS INCLUDING BUT WITHOUT LIMITATION NEGLIGENCE ARISING UNDER OR IN CONNECTION WITH THE CONTRACT), IS LIMITED TO THE NET CONTRACT PRICE FOR THE GOODS CONCERNED EXCLUDING ALL ADDITIONAL CHARGES, VAT AND ALL OTHER DUTIES, FEES OR TAXES AND ALL COSTS OR CHARGES IN RELATION TO TRANSPORT AND INSURANCE.

8.2 TO THE FULLEST EXTENT PERMISSIBLE BY LAW AND WITHOUT PREJUDICE TO THE SELLER'S WARRANTY, BUYER'S SOLE REMEDY SHALL BE IN DAMAGES AS SET FORTH ABOVE.

8.3 NO ACTION MAY BE BROUGHT AGAINST SELLER IN CONNECTION WITH THE GOODS OR THE CONTRACT UNLESS PROCEEDINGS ARE ISSUED AGAINST SELLER WITHIN ONE YEAR AFTER BUYER BECAME OR OUGHT TO HAVE BECOME AWARE OF THE CIRCUMSTANCES GIVING RISE THERETO OR WITHIN THE APPLICABLE STATUTORY STATUTE OF LIMITATIONS IF IT CANNOT BE CHANGED BY INDIVIDUAL AGREEMENT.

8.4 NOTHING IN THE CONTRACT SHALL OPERATE TO LIMIT OR EXCLUDE EITHER PARTY'S LIABILITY FOR ANY OF THE FOLLOWING:

- A. DEATH OR PERSONAL INJURY CAUSED BY THAT PARTY'S GROSS NEGLIGENCE OR THAT OF ITS EMPLOYEES, AGENTS OR SUBCONTRACTORS;
- B. FRAUD OR FRAUDULENT MISREPRESENTATION; OR

C. ANY OTHER MATTER FOR WHICH LIABILITY MAY NOT BE LIMITED OR EXCLUDED ACCORDING TO LAW.

8.5 TO THE FULLEST EXTENT PERMISSIBLE BY LAW, SELLER SHALL NOT BE LIABLE, IN CONTRACT, TORT OR OTHERWISE, AND IRRESPECTIVE OF THE NEGLIGENCE OF SELLER, ITS AGENTS OR EMPLOYEES, FOR ANY REPRESENTATIONS, ADVICE OR ASSISTANCE GIVEN (UNDER THE CONTRACT OR OTHERWISE, AND WHETHER BEFORE OR AFTER THE DATE OF THE CONTRACT) BY OR ON BEHALF OF SELLER IN CONNECTION WITH THE GOODS OR THE CONTRACT, UNLESS AND THEN ONLY TO THE EXTENT THAT SELLER HAS MADE SUCH REPRESENTATIONS, AND/OR AGREED TO PROVIDE SUCH ADVICE OR ASSISTANCE, FOR A FEE UNDER A SEPARATE WRITTEN CONTRACT WITH BUYER.

8.6 THIS CLAUSE APPLIES NOTWITHSTANDING ANY FUNDAMENTAL BREACH OR BREACH OF A FUNDAMENTAL TERM OF THE CONTRACT BY SELLER.

9. Force Majeure and other conditions

9.1 Seller shall not be liable to Buyer for any breach or damages of any kind in the event that the failure to comply with the Contract relates to any circumstances whatever (whether or not involving Seller's negligence) which are beyond Seller's reasonable control and which prevent or restrict Seller from complying with the Contract ("**Force Majeure Event**"), including but not limited to:

- A. delay in the granting of any license(s) or a revocation of licenses required for the Goods in whatever manner; or
- B. acts, restrictions, regulations, by-laws, prohibitions or measures of any kind on the part of any governmental, parliamentary or local authority; or
- C. strikes, lock-outs or other industrial actions or trade disputes (whether involving employees of Seller, or of a third party); or
- D. difficulties or delays in obtaining raw materials, labor, fuel, power, parts or machinery; or
- E. an act of God, including but not limited to, war, terrorism, riot, civil commotion, cybercrime attacks and its consequences, malicious damage, breakdown of plant or machinery, natural disasters, extreme adverse weather conditions, default of suppliers or subcontractors, fire, plague, epidemic, pandemic, quarantine restriction, or perils of the sea.

9.2 Seller may suspend or terminate (in whole or in part) its obligations under the Contract without liability of any kind to Buyer, if, due to any circumstances whatever beyond Seller's reasonable control the Seller's reasonable ability to manufacture, supply, deliver, or acquire materials for the production of the Goods by the Seller's normal means is materially impaired (whether or not involving Seller's negligence).

9.3 In the event of a Force Majeure Event as set forth in Clause 9.1 or the circumstances described in Clause 9.2 above, Seller will give Buyer a written notice of the existence of such circumstances, the nature of the event and its expected duration. Seller may choose to terminate the Contract (or any part of it), without any

liability, upon the occurrence of a Force Majeure Event or the circumstances described in Clause 9.2.

10. Termination and suspension

10.1 No order which has been accepted by Seller may be cancelled or postponed by Buyer except with Seller's agreement in writing and on terms that Buyer shall indemnify Seller in full and on demand against all loss, costs (including all labor and materials used), damages, charges and expenses incurred by Seller as a result of the cancellation or postponement.

10.2 Seller may (without prejudice to its other rights or remedies) terminate or suspend Seller's performance of the whole or any outstanding part of the Contract in the circumstances described in Clause 10.3 without any liability and all sums outstanding from Buyer to Seller on any Contract or other contract between Seller and Buyer shall become payable immediately and/or Seller may exercise any of its rights pursuant to Clause 11.. Seller may also suspend deliveries while investigating any claim relating to prior shipments (under any Contract or other contract between Seller and Buyer) of Goods.

10.3 The relevant circumstances are if:

- A. Buyer fails to take Delivery of the Goods by the date required under Clause 5. or fails to pay for the Goods by the due date or breaches any other term of the Contract or does not comply with the requirements of Seller's export insurance or any other insurance applicable to the Contract or any other contract for the sale or purchase of goods or services between Buyer and Seller; or
- B. (i) any distress or execution (whether legal or equitable) shall be levied upon any of Buyer's goods or property or obtained against him/it or (ii) Buyer encumbers, pledges, or in any way charges by way of security for any indebtedness any of the Goods which are the property of Seller or (iii) if Buyer offers to make any arrangement or composition with its creditors or (iv) Buyer becomes bankrupt or insolvent or unable to pay its debts as they fall due, or (v) if a receiver, administrator, administrative receiver or manager or encumbrancer takes possession of or shall be appointed over the whole or any part of Buyer's business or assets, or (vi) Buyer convenes a meeting of creditors (whether formal or informal), or (vii) Buyer enters into liquidation (whether voluntary or compulsory) except a solvent voluntary liquidation for the purpose only of reconstruction or amalgamation, or (viii) any resolution or petition to wind up Buyer (other than for the purpose of amalgamation or reconstruction without insolvency) shall be passed or presented or for the granting of an administration order in respect of the Buyer or (ix) Buyer is unable to pay its debts within the meaning of the applicable Insolvency Act or (x) Buyer ceases or threatens to cease to carry on business or (xi) Seller reasonably apprehends that any of the events mentioned above is about to occur in relation to Buyer and notifies Buyer accordingly or Buyer suffers any analogous proceedings under foreign law; or
- C. Seller has reasonable grounds for suspecting that an event in Clause 10.3B. has occurred or will occur, or that Buyer will not pay for the Goods on the due date, and so notifies Buyer; or

D. Seller's production costs (including costs of all labor and materials used) in relation to the Goods specified in any Order Confirmation materially exceed the purchase price agreed with Buyer in such Order Confirmation for such Goods.

11. Risk and title

11.1 Risk in the Goods shall pass to Buyer upon Delivery as specified in Clause 5. above.

11.2 However, Seller shall retain ownership of the Goods until:

- A. Seller has received payment in full in cleared funds of all sums due to it for all the Goods supplied including all other sums which are or which become due to Seller from Buyer on any account including all Additional Charges, VAT or other forms of taxes; or
- B. An unrelated third party purchases the Goods from Buyer at arm's length in good faith.

11.3 Until ownership of the Goods passes to Buyer, Buyer must:

- A. maintain them in satisfactory condition and insure them on Seller's behalf but on Buyer's costs against all risks to full replacement value to the reasonable satisfaction of Seller;
- B. sell, use or part with possession of the Goods only in the ordinary course of trading (with any such sale being a sale of Seller's property on Buyer's own behalf and Buyer shall deal as principal when making such a sale);
- C. hold the Goods as the Seller's fiduciary agent;
- D. where reasonably possible keep each Delivery separate from all other goods of Buyer or any third party in its possession and marked in such a way that they are clearly identified as Seller's property; and
- E. not destroy, deface or obscure any identifying mark or packaging on or relating to the Goods.

Buyer will be responsible for compliance with all Laws applicable to the Goods once the Goods have been delivered by Seller in accordance with the Contract, including, without limitation, those related to operations, safety, maintenance, equipment, size and capacity, and pollution prevention. In the circumstances described in Clause 10.3, Buyer's right to sell, use or part with possession of the Goods shall terminate immediately, and Seller may recover and/or sell the Goods, without prejudice to Seller's other remedies.

11.4 Buyer shall not pledge or subject the Goods to any lien or encumbrance or in any way charge by way of security for any indebtedness any of the Goods which are the property of Seller.

12. Indemnification and third party claims

12.1 To the extent not otherwise prohibited by law, Buyer shall fully indemnify, defend and hold Seller, or as the case may be, its officers, directors, employees and agents harmless from and against any loss, claim, injury or liability whatsoever (including but not limited to product liability cases):

- A. resulting from any usage of Seller's or any Seller's name, brand, logo or the Goods including the Seller's Trademarks by Buyer;
- B. Buyer's breach of any of the obligations of these General Terms and Conditions of Sale, any contract

or any applicable laws or violation of any third party rights; or

- C. the use, sale, marketing, or manufacturing of any goods or services of Buyer, including those goods and services that incorporate the Goods.

The indemnified party shall notify Buyer of any relevant claim, shall comply with Buyer's reasonable requirements to minimize liability and/or avoid further liability, and shall allow Buyer control of any action and/or settlement negotiations, on reasonable terms.

12.2 Buyer shall not enter into any agreed judgment or settlement agreement that imposes liability on Seller or any indemnified party without the prior written authorization of Seller or the indemnified party, as applicable.

13. Trademarks

13.1 The Buyer acknowledges that Seller is the sole and exclusive owner of any and all trademarks and trade names, service marks, trade logos, brands and trade dress or any abbreviations or variation thereof and any other commercial protected rights applied to or used by the Seller in any manner (collectively the "**PASUTO Trademarks**") and Buyer acquires no rights whatsoever to the PASUTO Trademarks. Buyer agrees not to register or use or have any third party register or use any mark(s) that are similar to the PASUTO Trademarks and will assign and transfer to Seller all rights that Buyer may acquire in and to the PASUTO Trademarks, whether by operation of law or otherwise. Buyer shall not use any trademarks or trade names applied to or used by the Seller in any manner not approved by the Seller in writing in advance, however any approval for Buyer's use of any PASUTO Trademarks shall be made pursuant to a trademark license agreement executed separately by and between Buyer and the Seller.

13.2 Notwithstanding the foregoing, Seller grants to Buyer the limited license set forth in Annex 1. The license does not apply to Substandard and Testing Goods, except if otherwise expressly agreed in writing.

14. Miscellaneous

14.1 The Contract or any part of it may not be assigned by Buyer without the Seller's prior written consent. Seller may assign, license or sub-contract all or any part of its rights and obligations under the Contract to any person, firm or company.

14.2 The Contract shall not be construed to create the relationship of employer or employee, partnership, principal/agent or any type of joint venture relationship, between and among the parties. No party shall have the authority to contract for or assume obligations of any kind in the name of the other party without that other party's prior written consent.

14.3 No failure or delay by Seller to enforce or partially enforce any provision of the Contract shall be construed as a release of its rights relating thereto or to sanction any further breach.

14.4 The Contract constitutes the entire understanding of the parties with respect to the transactions contemplated in the Order Confirmation, and supersedes and replaces all prior agreements and understandings, written and oral, among the parties with respect thereto.

14.5 If any provision of the Contract and/or these General Terms and Conditions of Sale is found to be illegal, invalid or unenforceable in whole or in part either under enactment or rule of law, it shall have effect to the maximum extent permitted by law, or, if not so permitted, shall be deemed deleted and the legality, validity and enforceability of the remaining provisions of the Contract and/or these General Terms and Conditions shall not be affected.

14.6 Any variation of these General Terms and Conditions (including any special general terms and conditions agreed between the parties) shall be inapplicable unless agreed in a signed writing by Buyer and Seller.

14.7 Each right or remedy of Seller under the Contract is without prejudice to any other right or remedy of Seller whether under the Contract or not.

14.8 Any waiver by Seller of any breach of, or any default under, any provision of the Contract by Buyer will not be deemed a waiver of any subsequent breach or default and will in no way affect the other terms of the Contract.

14.9 Buyer shall not refer to Seller by name or otherwise on any website, or in any proposed media releases or public announcements relating to the Contract or the subject matter of the Contract, including, without limitation, promotional or marketing material (but not including any announcement solely for internal distribution or any disclosure required by legal, accounting or regulatory authorities beyond the reasonable control of the party), except if otherwise previously agreed in writing.

14.10 The provisions of Clauses 3, 5, 7, 9, 10, 11, 12, 13, 15, 16 and 17 shall survive termination of the Contract.

14.11 It is agreed that the Contract is not being entered for the benefit of any third party and nothing in the Contract shall confer on any third party any right to enforce or any benefit of any term of the Contract.

15. Compliance with laws

15.1 If any license or consent of any government or other authority is required for the acquisition, carriage or use of the Goods by Buyer, Buyer will obtain the same at its expense, and if necessary, provide evidence of the same to Seller on request. Failure to do so will entitle Seller to withhold or delay shipment, but failure to do so will not entitle Buyer to withhold or delay payment of the price therefor. Any expenses or charges incurred by Seller resulting from such failure will be paid for by Buyer within ten (10) days of receipt of Seller's written request.

15.2 Except as permitted under U.S. Laws, the Goods will not be sold, supplied or delivered by Buyer directly or indirectly to any party or destination that, at the time of such sale, supply or delivery, is declared an embargoed/restricted party or destination by the government of the United States of America or by the United Nations. Buyer confirms that it is not embargoed/restricted by EU Regulations or any other applicable regulations. Within two (2) days after Seller's request, Buyer will provide Seller with appropriate documentation to verify the final destination of any Goods delivered hereunder.

15.3 Buyer covenants, warrants and undertakes that it complies with all applicable anti-money laundering

laws and regulations and associated rules and regulations (in force from time to time).

16. Governing law and dispute resolution

16.1 The Contract, these General Terms and Conditions and all non-contractual obligations arising from or connected therewith shall be governed by and construed in accordance with the laws of Italy without respect to its conflicts of law rules. The applicability of the UN Convention on Contracts for the International Sale of Goods (CISG) shall be excluded.

16.2 All disputes or claims arising out of or in connection with this Contract or these General Terms and Conditions including disputes relating to their validity, breach, termination or nullity shall be settled by the Court of Venezia, Italy, which shall have exclusive jurisdiction.

17. Language

These General Terms and Conditions are made in the English language. If these General Terms and Conditions have been translated to a different language than the English language and differences of meaning and interpretation should occur, the English language version shall be the governing language of these General Terms and Conditions.

18. Privacy

18.1 Buyer, Seller and their employees, agents, consultants and subcontractors (collectively, "*Party's representatives*") in performance under this agreement (i) will collect, process, store, use, disclose and dispose of all information relating to a natural person that is sufficient to cause the natural person to be identified, directly or indirectly (collectively, "*PII*"), in full compliance with privacy laws, as amended from time to time; and (ii) will only share, sell, transfer, disclose, or otherwise provide access to PII to the extent strictly necessary for the execution of the Contract; and (iii) will only collect, process, use and store PII to the extent strictly necessary for the execution of the Contract.

18.2 Upon termination or expiration of the Contract, both Buyer and Seller shall, at request and upon consideration of the statutory retention periods, destroy all PII, aggregate information and historical data. Either Party may suspend its performance under the Contract if the other Party, in Party's reasonable opinion, is in breach of this section.

18.3 Either Party shall immediately inform the other Party in writing of any breach of this section or if has any reason to believe that PII may have been lost or used, acquired or accessed, or disclosed in violation of this section.

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- ANNEX 1 -

1. Limited License

1.1 Seller (as defined in the General Terms and Conditions) is the owner of multiple trademarks among which: TOY COLOR and KREABLE

1.2 Effective as of Delivery (as defined in the General Terms and Conditions), Seller grants to Buyer (as defined in the General Terms and Conditions) limited license to use the Licensed Trademarks as set forth in the following provisions.

1.3 Seller grants to Buyer a nonexclusive, non-transferable, non-sublicensable and royalty free license to use the Licensed Trademarks for resale, marketing and advertising activities concerning: (i) the Goods (as defined in the General Terms and Conditions) supplied by Seller or (ii) Buyer's products manufactured or assembled using the Goods supplied by Seller; such right to use the Licensed Trademarks hereinafter also referred to as the "**License**". Within the limitations set forth herein, the License is geographically limited to those countries where the Licensed Trademarks are registered.

1.4 Buyer shall use the Licensed Trademarks in conformity with the branding guidelines made available by Seller. In addition, within such use of the Licensed Trademarks, Buyer shall observe any reasonable directions given by Seller. Any use beyond this is expressly prohibited.

1.5 The ownership of the Licensed Trademarks and goodwill associated therewith resides with and vests in and will reside with and vest in Seller and Buyer acknowledges that Seller has valuable rights in and to the Licensed Trademarks. Apart from as explicitly set forth herein, nothing herein shall be construed as assigning, transferring or granting any right, title or interest in the Licensed Trademarks. Buyer shall not register or have any third party register the Licensed Trademarks or any sign similar to the Licensed Trademarks with any registration authority whatsoever or wherever.

1.6 Any use of the Licensed Trademarks, even if in countries where the Licensed Trademarks are not registered, shall inure to the sole benefit of Seller. In case Buyer acquires any rights whatsoever with respect to the Licensed Trademarks triggered by its use, Buyer shall assign any such rights to Seller without being entitled to any remuneration whatsoever. Upon Seller's reasonable request, Buyer shall provide Seller with proof of the proper use of the Licensed Trademarks, including by providing copies of promotional materials, sales documents, and other appropriate documents.

1.7 Buyer agrees that any products Buyer may sell or provide in conjunction, or associated, with any Licensed Trademarks shall be of a quality sufficient to protect the goodwill and reputation associated with Seller and the Licensed Trademarks. To this end, Seller shall have the right to inspect and approve or reject any uses of the Licensed Trademarks in conjunction with any products. Seller shall be entitled to test samples of the products at reasonable intervals during the term of the respective License to assess Buyer's compliance with all terms and obligations as set forth herein and in order to test the quality of the products. For the purpose of such testing, upon Seller's reasonable request, Buyer shall provide Seller's representatives samples of any product sold or provided in conjunction, or associated,

with any Licensed Trademarks, and the information and documents reasonably necessary for such review.

1.8 Buyer covenants and agrees that: (i) it will not misuse or bring into disrepute the Licensed Trademarks; (ii) for the entire period the Licensed Trademarks enjoy legal protection it will not use any other mark, logo, trade name or trade mark similar to or resembling any part of the Licensed Trademarks so as to cause a likelihood of confusion, deception or mistake; and (iii) it will comply with all applicable laws relating to its display and use of the Licensed Trademarks (including but not limited to any applicable textile labelling laws or regulations).

1.9 Seller assumes no warranty or liability whatsoever with regard to the licensing of the Licensed Trademarks.

1.10 This License shall come into force upon Delivery (as defined in the General Terms and Conditions) and be granted until the earlier of (a) Buyer's sale of the Goods or (b) Seller terminates the License with 4 weeks' notice.

1.11 The right to terminate this License for good cause with immediate effect remains unaffected. Reasons entitling Seller to terminate this License with immediate effect are in particular, but not limited to, any breach of Buyer's obligations under this License or the General Terms and Conditions. Unless prohibited by mandatory statutory provisions, this License may further be terminated with immediate effect at any time by Seller if Buyer becomes subject of any bankruptcy, winding up or liquidation proceedings, or other proceedings analogous in purpose or effect. Upon termination of this License, Buyer shall immediately cease to use the Licensed Trademarks.

1.12 Any use of the Licensed Trademark beyond as set forth herein or any use of any other trademark owned by Seller shall require a separate license agreement.

1.13 This Annex shall be viewed as part of the General Terms and Conditions and shall be interpreted and construed as being a single instrument. The Governing Law and Dispute Resolution provision (Clause 16.), as well as the Miscellaneous provision (Clause 14.) of the General Terms and Conditions shall apply to this Annex and are incorporated herein by reference.

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