GENERAL TERMS AND CONDITIONS OF SALE

Art. 1 – General provisions

In these general terms and conditions of sale, the term "Vendor" refers to Carcano Antonio S.p.a. and the term "Buyer" refers to the client (physical or legal person) intending to buy any type of goods produced and/or sold by Carcano Antonio S.p.a..

The appendices and documents mentioned herein constitute an integral and essential part of these general terms and conditions of sale.

These general terms and conditions of sale – undersigned by a legally entitled person – are filed by the Notary Dott. Ottaviano Anselmo Nuzzo, with registered office at 23823 Colico (Lc) , via Nazionale 122, ref no. 66049, folder no. 18710 and are also published on the company website www.carcano.com.

These general terms and conditions of sale are valid for any order placed with Carcano Antonio S.p.a. and are an essential part of any order.

The Vendor reserves the right to add, modify or remove any provision from these general terms and conditions of sale, ensuring that such a change is communicated upon their publication and that they are updated on the company website. Such additions, modifications or deletions will apply automatically and directly to any orders which are placed with the Vendor following the date on which these changes are published.

Any modifications to these general terms and conditions of sale, as well as any specific conditions, must be expressly agreed in writing by the parties in each individual order.

Art. 2 – Purchase order – Order confirmation – Conclusion of agreement

Purchase orders from the Buyer must be issued in writing via fax, registered letter, certified and non-certified email or any other appropriate means so as to demonstrate the source of the Buyer's order.

Any requests for modifications to purchase orders already sent to the Vendor can be communicated in the same way.

It is expressly understood and agreed that verbal purchase orders and/or orders made over the telephone are not valid if they are not followed up and confirmed by written communication with the abovementioned characteristics and identical content.

The sales agreement shall be considered as concluded when the Vendor sends the Buyer the order confirmation.

Any suspensions, cancellations and/or modifications to purchase orders which have already been sent by the Buyer to the Vendor will only be valid and effective if they comply with the characteristics set out in the first paragraph of this article and reach the Vendor before the order confirmation is sent to the Buyer as per the above paragraph. If this is not the case, such changes can be made if, following the relevant checks on the state of progress of the production, this does not lead to any extra costs for the Vendor.

Art. 3 – Technical characteristics and specifications of the goods – Intended use of the goods

The Buyer is required to specify in the purchase order the specific technical characteristics and/or specifications which the goods in the order must fulfil.

If no such specifications are provided, it shall be understood that the goods must be produced in accordance with the technical characteristics and specifications in use on the market and in compliance with the Vendor's normal production process.

Equally, the Buyer is required to specify in the purchase order the intended use of the goods and, in particular, whether the intended use of the goods is food-related and/or pharmaceutical, and in all cases, with which products and/or materials it is intended to be in direct contact.

If no such specifications are provided, it shall be understood that the intended use of the goods is not food-related and/or pharmaceutical and that they are not intended to be used with products and/or materials which are subject to alterations if they are in contact with the goods.

Art. 4 – Quantity of goods – Tolerances

The quantities (in weight and/or in number) of goods indicated in the purchase order and possibly in the order confirmation are understood as being approximate. However, the Buyer henceforth agrees to and accepts (without any exception) the goods produced by the Vendor which fall within the limits of tolerance set out in Appendix n.1 of these general terms and conditions of sale.

If the goods fall within the tolerance limits, a breach of contract claim cannot be formulated against the Vendor.

Art. 5 - Colour

The colours used by the Vendor must comply with the current standard colour samples and, alternatively, with laboratory samples, both of which are given prior approval by the Buyer. Nevertheless, due to the fact that variations in shades are normal, the Vendor does not guarantee absolute correspondence between the colours of the scale and those of the goods sold, nor the identity of the colour as part of the goods provision, nor the identity of the colour of the goods produced in compliance with different purchase orders. Consequently, any variation in shade does not constitute a fault and/or a defect of the goods, nor does it constitute a breach of contract by the Vendor, or direct damages to the Buyer enabling them to claim and/or obtain the replacement of the goods and/or terminate and/or withdraw from the agreement and/or receive compensation and/or damages of any kind (even in the form of a reduced price).

Art. 6 – Brands and distinctive symbols to be applied to the goods

If the Buyer requires the Vendor to apply to the goods specific branding, emblems, logos and, in general, any distinctive symbols belonging to itself or others, it must communicate such a requirement in the purchase order. In formulating such a request in the purchase order, the Buyer must:

a) Guarantee the Vendor that it has and is able to demonstrate valid certification proving that it has the ownership, possession and/or ability and power to use, benefit from and/or broadcast these specific brands, emblems, logos and distinctive symbols in general;
b) Immediately provide the Vendor with the documentation proving that which is set out in sub-letter a) – upon the simple request of the Vendor (which is not required to give a reason for doing so);
c) Guarantee the Vendor against and in relation to any exception, objection, demand, claim and/or request made by any third party in relation to the use of brands, emblems, logos and distinctive symbols in general;
d) Hold the Vendor harmless from any responsibility arising from the abovementioned use of such symbols;
e) Compensate the Vendor for any damages, expenses, costs, outlay and/or fees which the Vendor incurs as a result of the abovementioned exceptions, objections, demands, claims and/or requests from third parties.

Art. 7 – Price – Calculation of fee

The price indicated by the Vendor in the order confirmation (unless indicated otherwise):

a) Is expressly in Euros, unless a different currency is agreed in writing between the parties;
b) A fixed unit price (a lump sum);
c) Net of any tax, levy, duty and/or cost which may be applied to the sale in compliance with the regulations in force;

d) Includes any fees and shipping and/or transport costs and expenses, unless a different agreement is concluded in writing between the parties;
e) Net of packaging costs, unless a different agreement is concluded in writing between the parties.

The total fee is calculated by applying the aforementioned price with the additional charges which may be applicable as set out in the previous paragraph to the quantity of goods actually produced by the Vendor (determined by calculating the quantity of goods which fall within the tolerances set out in the quality system of the company procedures provided in Appendix 1 in these general terms and conditions of sale), and in any case, the total fee due is featured on the invoice issued by the Vendor.

If it is necessary to produce specific equipment for stamping the goods, the Vendor will charge the Buyer in addition to the price of the goods a fee to contribute to the cost of such equipment.

Art. 8. – Deadlines, terms and methods of payment of fee

The payment of the fee:
a) Must be made in compliance with the deadlines, terms and methods set out in the purchase order confirmation and, failing this, in the invoice issued by the Vendor;
b) Must not in any event be omitted and/or delayed by the Buyer, even if the Buyer refuses, delays or fails to take the goods and/or raises exceptions and/or objections to the Vendor (even in the event of faults, defects and/or non-compliance of the goods) and/or in the event of general disputes, since the agreement concluded is expressly subject to the “solve et repete” clause.

If the parties have agreed a reduction to the total fee, the absence of the reduction on the invoice does not give the Buyer the right to refuse to make the payment, but simply to request the issuing of a credit note partially repaying the invoice.

Hereby renouncing and waiving any exception and/or objection from the Buyer, an absent and/or delayed payment of the fee within the aforementioned deadlines gives the Vendor the right:
a) If a payment by instalment has been agreed, to declare that the Buyer has failed to respect the payment terms and therefore to request the immediate payment of the entire amount which has not yet been paid;
b) To obtain from the Buyer the payment of interest on arrears as set out by Legislative Decree 9 October 2002, n. 231 as amended;
c) To declare the agreement terminated due to action or negligence – and therefore violation – from the Buyer, and consequently exercise all compensation rights resulting from such a declaration;
d) To suspend the execution of any other agreements in progress with the same Buyer, or – at the sole discretion of the Vendor – to declare these other agreements terminated due to the action or negligence of the Buyer and, therefore, without this giving rise to any rights for the Buyer to receive compensation and/or damages of any kind. At the same time, the Vendor may legitimately request payment for the work already carried out;
e) To make any other issued invoices payable immediately, even if these involve different agreements with the Buyer, with the right to request immediate payment thereof.

No compensation is permitted from the fee due to the Vendor through any credits which the Buyer may claim for any reason or cause, even if this may arise from, or be justified by the agreement signed by both parties.

Art. 9 – Original works

Prints, stereotypes, artistic creations of new labels, models and, more generally, any element which is created by the Vendor to fulfil the requests of the Buyer with regard to the characteristics which the goods ordered must have are and remain the property of the Vendor even if the Buyer contributes to their design, development and production either in an technical or artistic sense or by covering the costs necessary for their production. Indeed, such intellectual property cannot be transferred from the Vendor to the Buyer and must not be

understood as being transferred following payment of the price for the goods ordered or the contribution for the printing equipment as set out in article 7 above.

Art. 10 – Transport – Terms and methods for delivery of goods

The risk, expenses and costs relating to the delivery of goods shall be calculated in accordance with and on the basis of Incoterms 2010 published by the International Chamber of Commerce, and in particular on the basis of the specific Incoterms set out in the purchase order confirmation. If the Incoterms to be applied for a specific sale are not indicated, it shall be carried out in compliance with the following Incoterms: "EXW" (Ex Works) for the sale of goods to a site in Italy or in an EU member state; "DAP" (Delivered at Place of Destination) for the sale of goods to a site outside Italy and not an EU member state.

If the delivery is made by a courier, the Vendor and the Buyer, within their own scopes of responsibility, agree to exclusively use suitable couriers with proven experience in carrying out the type of transport required, and each party must reciprocally approve the other party's choice.

The terms for the delivery of goods indicated on the purchase order confirmation are not compulsory and are non-binding, and take effect from the date the Buyer receives the purchase order confirmation from the Vendor. If no delivery terms are given, it shall be understood that the Vendor will deliver the goods ordered to the Buyer in accordance with terms compatible with its own production load and company organisation.

In no event can the Buyer hold the Vendor responsible for damages incurred or which may be incurred due to a missed, early or late (total or partial) delivery. Therefore, the Buyer has no right to receive compensation and/or damages of any kind from the Vendor for this type of occurrence.

In any event, the Buyer is required to receive and take delivery of the goods even if the delivery is partial, delayed and/or early.

If the Buyer refuses, delays or, in general, fails to take delivery of the goods, regardless of the reason for such a refusal, delay or failure, it must bear the full storage costs and expenses incurred by the Vendor by way of compensation.

Art. 11 – Goods checking – Complaints – Warranty from the producer – Warranty from the Buyer in favour of the Vendor

The Buyer is obliged to check the goods at the moment of delivery (as set out in the Incoterms applied to the specific sale).

In the event of damage, faults and/or defects and/or non-conformity of the goods, the Buyer must inform the Vendor within no more than 15 (fifteen) days from the delivery of the goods.

If hidden faults and/or defects are detected, the Buyer must inform the Vendor within no more than 15 (fifteen) days from their discovery and, in any case, within no more than 18 (eighteen) months of the delivery.

The presence of goods which are damaged, faulty, defective and/or non-compliant with the order confirmation does not constitute a breach of contract on the part of the Vendor, nor a reason for the Buyer to withdraw or terminate the agreement. Nevertheless, the Buyer has the right to request the Vendor to replace the goods themselves. This right must be exercised, before it expires, within the reporting deadline set out in the second or third paragraph of this article depending on the type of fault detected.

However, the Buyer forfeits any possibility to make a complaint or claim regarding the goods and, therefore, the replacement of them if they have been subjected to work and/or processing, even if partial in nature, by third parties, thus losing its right to any warranty.

The Buyer agrees and is expressly obliged to use the goods produced by the Vendor in compliance with their intended use and, in particular, for which they were produced as set out in

the purchase order and, in any case, in compliance with the provisions set out in article 3 of these general terms and conditions of sale. In any case, the Buyer is obliged to use the goods in compliance with the latest experience and scientific principles and discoveries at the time when they are used.

The Vendor refuses any responsibility to the Buyer for damages – whether direct, indirect, immediate or future – incurred as a result of the way in which the goods are used, stored or transported, especially if these methods are not compliant with the above paragraph.

The Vendor also refuses any responsibility with regard to alterations incurred by the goods as a result of and/or caused by substances and/or products with which the Buyer has put the goods into contact, and with regard to alterations incurred by the substances and products which the Buyer has put into contact with the goods.

As a result of the above, the Buyer hereby guarantees and holds harmless the Vendor for any damages, outlays, expenses or costs incurred and/or sustained by the Vendor as a result of claims – of any scope, nature and type – which third parties may make against the "producer" of the goods used and delivered to the Buyer.

Except in the event of wrongful misconduct or gross negligence by the Vendor, the warranty set out in this article replaces statutory warranties for faults and conformity and in any case excludes any other possible liability on behalf of the Vendor for alleged damages caused by the goods sold. Consequently, the Buyer may not request compensation for damages, a reduction in price or a termination of the contract and in no event can the Vendor be held responsible for direct, indirect or consequential damages, production losses, machinery downtime, loss of earnings of the Buyer or third parties caused by the goods produced.

In particular, in the event of sale of packaging for the food sector, the Buyer holds the Vendor harmless from any liability in terms of food-related information set out in the Regulations (EU) N.1169/2011 which came into force in 13/12/2014 as amended.

Art. 12 – Packaging

Unless a different agreement is stated in the order confirmation, the costs, expenses, obligations and all requirements set out in the applicable regulations in force at the time (on a national and/or EU and/or international level) for the disposal of packaging material and elements of protection, security and attachments used in transporting the goods shall be borne exclusively by the Buyer.

If the Buyer fails to comply with the above and the Vendor becomes legally responsible, the Buyer is obliged, without exception, to hold harmless and indemnify the Vendor from any responsibility and any detrimental consequence which it may incur.

If the order confirmation states that the delivery of the goods shall be made using packaging materials and elements of protection, security and attachments which are to be returned to the Vendor (see "Packaging to be returned"), it is expressly agreed that the Vendor retains the ownership of the packaging to be returned. Furthermore, the Buyer shall bear the full costs and expenses of:

a) Returning the packaging to be returned to the Vendor at the Carcano Antonio S.p.a. site which sent the goods within 6 (six) months of the goods shipment date;
b) Managing, storing, handling and transferring the packaging to be returned with due care and attention, preserving its state and keeping it in its original conditions;
c) Handling the registration and communicating to the Vendor the movement and transfer which the returning packaging will undergo.

Also with regard to the packaging to be returned, the Vendor shall charge the Buyer, without prejudice to any greater damages, the relevant cost if:

a) The Buyer fails to return part or all of the packaging;
b) The Buyer returns part or all of the packaging in a damaged state;

c) More generally, there is a discrepancy between the quantity of packaging to be returned as calculated by the Vendor's stocktaking as used for the delivery of the goods to the Buyer and the amount of packaging actually returned.

Art. 13 – Force Majeure

Events of Force Majeure are understood as being, for instance, events such as: fires, floods, earthquakes, epidemics, wars, building collapse, riots, terrorist acts, lockouts, strikes, industrial disputes in general, breakdown of machinery and/or equipment, stoppage of production to carry out maintenance, repairs or refurbishment of facilities, furnaces or buildings, even if these are caused by their faulty and/or insufficient maintenance in the past, interruption of provisions or shortages in the supply of raw materials, fuels, and electrical energy, transport interruptions or problems, interventions of the administrative or public authorities. More generally, an event of Force Majeure is any situation which is independent of the will of the Vendor and is out if its control, presenting obstacles or limits to the normal functioning of its production, sales and, in general, its economic and productive activity.

If any event of Force Majeure occurs, the Vendor has the right to reduce the quantity of goods sold, to delay delivery or shipping deadlines, or withdraw from the agreement – regardless of the state of progress – without the Buyer having any right to compensation and/or damages. The Buyer is obliged to pay for the services carried out up to that point – even if incomplete – by the Vendor before verifying the event of Force Majeure.

If the event of Force Majeure (or its effects) last(s) for over 2 (two) months from its initial occurrence, the Buyer may withdraw from the agreement, waiving the right to any compensation and/or damages and, in any case, ensuring the payment of the fee for the services carried out up to that point – even if incomplete – by the Vendor before verifying the event of Force Majeure.

Art. 14 – Excessive burden

If for any unforeseen reason, the obligations of the Vendor become excessively burdensome with regard to the consideration originally agreed, so as to modify the consideration by over 10% (ten %), the Vendor may request the Buyer that a review of the contractual conditions is carried out, and failing this, declare the agreement terminated.

Art. 15 – Express termination clause

As well as in all the events set out by the legal provisions in force and the specific contractual clauses which result in such a consequence, the Vendor has the right to terminate the agreement if:

a) The Buyer ceases its business or professional activity;
b) The Buyer files a petition for liquidation, an agreement among creditors, bankruptcy or other insolvency procedures (or, if the Buyer is not Italian, the equivalent and/or corresponding procedures);
c) The Buyer is subject to procedures of seizure and/or repossession and/or enforcement proceedings (or, if the Buyer is not Italian, the equivalent and/or corresponding procedures);
d) The Buyer is declared insolvent or is registered on the insolvency register (or, if the Buyer is not Italian, the equivalent and/or corresponding procedures);
e) The Buyer's economic and/or financial and/or asset conditions change in such a way so as to jeopardise the payment of even a fraction of the agreed fee.

In the above cases, the agreement may be terminated legitimately in accordance with article 1456 of the Italian Civil Code as soon as the Vendor expressly communicates its wish in writing to enact the termination clause, without prejudice to the Vendor's right to compensation for damages for the failure to execute the agreement, including for any other occurrence arising from the Buyer's failure to fulfil the agreement.

In any case, the Vendor may, – at entirely its own discretion – as well as exercising its right to terminate the agreement, suspend – for a period of time decided at its own discretion – its own fulfilment of its contractual obligations in accordance and pursuant to article 1461 of the Italian Civil Code, unless the Buyer provides a guarantee for the fulfilment of these obligations which is deemed appropriate and approved by the Vendor itself.

Art. 16 – Applicable law – Exclusive jurisdiction

These general terms and conditions of sales and any agreement arising out of these terms will be exclusively governed by Italian law.

Any dispute arising out of any future agreement governed by these general terms and conditions of sale i.e., relationship, action, omission or claim arising and/or resulting from it is exclusively subject to the Courts of the Italian Republic. The exclusive competence among these is allocated to the Court of Milan.

In the event of disputes or doubts arising from the interpretation of this agreement, the Italian text of the agreement shall prevail.