

GENERAL TERMS OF SALE - PROMOTRED S.R.L.

1. Preamble

- 1.1. These general terms shall apply, subject to the special terms explicitly agreed upon in writing between the parties. These General Terms and Conditions hereinafter apply to all contracts for the sale and supply of goods and services entered into with Promotred.
- 1.2. In the event that an offer directly comes from the vendor, the buyer is deemed to have consulted, read and accepted these general terms at the time of acceptance of the offer.
- 1.3. In these general terms, the PROMOTRED S.r.l. is referred to as "Vendor" or "PROMOTRED", while its cocontracting party or client is referred to as "Buyer".
- 1.4. These general terms govern the relations between parties, excluding all other general or particular terms from the buyer. Indeed, all general or particular terms from the buyer will in no case apply to the vendor.

2. Contract formation

- 2.1. The contract is deemed to be validly formed and the sale completed when, after receipt of the order, the vendor has confirmed the order by writing, by email (or fax in the absence of a known email address)
- 2.2. The contract is also deemed validly formed and the sale completed, as from the moment that the buyer has explicitly accepted the price offer proposed by the vendor by writing, by email (or fax in the absence of a known email address).
- 2.3. The agents, who are representatives of the vendor, do not have signing authority and all contracts negotiated through its intermediary have to be confirmed directly by writing by the competent body of the vendor to the buyer to become validly formed.
- 2.4. The goods are deemed certified if no complaint has been formulated by the buyer by writing or email with acknowledgement of receipt by the vendor, within 8 days of its receipt. In the absence of an acknowledgment of receipt by the vendor, it shall be presumed that the vendor has not been notified about the complaint.
- 2.5. A \pm 3% difference in delivered quantity should be considered as acceptable by the buyer. Only the actually delivered goods will be invoiced by the vendor.
- 2.6. In the event that, between the confirmation of the order and the invoice, the buyer has exceeded his internal credit limit that was authorized by the vendor, the vendor reserves the right to modify the order or the payment conditions which had previously been agreed upon by the parties. With credit limit is meant the maximum amount of the order that is authorized by the vendor to deliver to the buyer without his payment, and this, in the context of a regular and continuous business relationship between parties that authorizes the buyer not to prompt pay his bills.

3. Limitation on the distribution and the resale of goods by the buyer

- 3.1. Vendor's goods are intended to be resold by buyer in his capacity of distributor of "business gifts" to companies and may not in any case be sold directly or indirectly to individuals.
- 3.2. The use of the brands and logo in case of online sales by buyer should be authorized by vendor.
- 3.3. The buyer shall be held directly liable for any violation of article 3.2 by himself as well because by his own clients.

4. Principle of territorial restriction

- 4.1. The vendor, hereby, imposes to the buyer in his capacity of distributor, a principle of territorial restriction, which means that the goods may not be resold nor distributed by the buyer unless to companies that will distribute those goods in the same country as the country of the buyer, except when explicit and written authorization is given by the vendor to derogate from this principle of territorial restriction.
- 4.2. In case of violation of the principle of territorial restriction by the buyer a lump-sum compensation equivalent to a minimum of 3 times the value of the order, VAT excluded, is due to the vendor.

5. Cancellation of the order

- 5.1. In case of an "ordinary" order:
An "ordinary" order is defined as an order of goods that are regularly listed in the PROMOTRED catalogue or in destocking and that do not need to be manufactured by the vendor in order to deliver the order. In case of cancellation of an "ordinary" order in preparation, a lump-sum payment of 5% on the amount, with a minimum of 50 €, will be due as a lump-sum compensation. In case of non-performance of the contractual obligations by the buyer, the cancellation of the order by the buyer shall also result in the buyer's obligation to pay a lump-sum of 5% on the amount, with a minimum of 50 €, as a lump-sum compensation.
- 5.2. In case of a "specially manufactured" order:
A "specially manufactured" order is defined as an order that needs manufacturing by the vendor before delivery. The "specially manufactured" orders cannot be cancelled. In case of cancellation, the full price as agreed upon by the parties shall automatically be invoiced and due by the buyer to the vendor.

6. Tools and films

- 6.1. The tools, prints, matrices, cutting shapes and molds will become property of the buyer after full payment of the technical costs' budget detailed in the invoice.
- 6.2. They can only be used for the buyer's submitted orders and will be stored in the workshops of the vendor who undertakes the obligation to store as well as to bear the necessary maintenance costs for a 2-year period after the last order. A 2-year period begins to run as of the last order, during which the buyer is entitled to recover the tools, prints, matrices, cutting shapes and molds. After this time period they may be destroyed by the vendor if the buyer has not claimed them.
- 6.3. Unless explicit written agreement by the vendor, the photographs and/or silk screen movies made by the vendor shall remain exclusive property of the latter so that the buyer shall never be authorized to request their restitution.

7. Maps and descriptive documents

- 7.1. The weights, dimensions, capacities, prices and other information listed in the catalogues, the websites, prospectus, circulars, advertisements, emails, engravings, ... are provided for illustrative and approximative purposes and do not bind the vendor.
- 7.2. The vendor is only bound by the final data that can be found explicitly in the contract that has been agreed upon by the parties, more exactly in the confirmation of the order communicated by the vendor.

8. Packaging

- 8.1. Normally all goods are delivered in the package as described in the PROMOTRED catalogue.
- 8.2. In case of stockoutage of a packaging, the vendor will be able to deliver its goods in any other similar package.
- 8.3. The brands that are represented by the vendor can at any time require a modification in the packaging policy of its goods. The buyer accepts without reservation every possible modification of the packaging according to the requirements of the brands.

- 8.4. The packaging of goods and brands may only be used to pack the goods of the vendor. All other uses are prohibited.
- 8.5. Except explicit and written agreement by the vendor, the buyer may not himself repackage vendor's goods in packages other than those authorized by the brands.
- 9. Consignment and risk transfer**
- 9.1. If the order(s) is/are withdrawn directly by the client at vendor's factory, the client shall bear all the risks from the moment the client gets possession of the order(s) at the factory. If the goods are to be distributed in another country than the vendor's country, the buyer undertakes the obligation to wards the vendor to get the goods outside the Italian borders, by delivering the adequate certificates. When failing to get the goods outside of the Italian borders, the buyer shall be solely liable for all additional taxes that would be claimed from the vendor.
- 9.2. If the buyer assumes the transportation of the order(s) by using his own carrier; the transportation shall be at risk of the client. In this assumption, the carrier will submit a type CMR transportation manifest. By means of this manifest, the carrier certifies and verifies the quantity and condition of the received cardboard. No complaint on the quantity of the delivered cardboard or on the damage by transportation shall be formulated by the buyer at the receipt of the goods.
- 9.3. If the vendor is responsible for the expedition of the order(s), the vendor is responsible for the goods until receipt of the order(s) by the client at the latter indicated place. The transfer of risk is done at receipt of the goods by the client. No complaint shall be formulated by the client if no reservation was made at the time of receipt. If the client does not take delivery of the goods at the time when the goods are made available by the vendor, the burden of risk rests upon the client at his arrival on the intended destination.
- 9.4. In all cases, the vendor shall never be held liable if the goods would perish or even deteriorate during transportation in case of force majeure, or any other extraordinary and unforeseen circumstances, in which the vendor has no influence and which circumstances could not have been avoided even if all possible precautionary measures would have been taken. By means of example and without being limited to, can be considered as force majeure, blocking transportation means, earthquakes, fire, storm, flooding, lightning, shutdown of telecommunication networks, ...
- 9.5. The transportation fare is always paid by the client, except if differently and explicitly defined (every modification must be written).
- 10. Manufacturing time - transportation period**
1. The manufacturing time is given indicatively. The manufacturing time is defined as the time period between the confirmation of the order and the departure of the goods from the vendor's factory. The manufacturing time provided by the vendor will therefore never include the transportation period, customs delay or any other delay related to the delivery of the goods done by the vendor or buyer.
- 10.2. The manufacturing time may be extended if the buyer does not communicate all necessary elements for the proper execution of the timely order or if the buyer fails to meet his contractual obligations, namely the payment of the price.
3. Unless an imperative time period has been explicitly stipulated by the buyer and was explicitly accepted by the vendor, any delay in manufacturing shall neither lead to a cancellation of the order nor to a compensation whatsoever.
4. Any delay in the transportation delay shall neither lead to the cancellation of the order nor to a compensation whatsoever.
- 11. Warranty**
1. Unless previously and specifically agreed to in writing, Promotred offers no guarantee on the Products.
- 11.3. The warranty shall not cover incidental expenses incurred by the buyer for the distribution of the goods. By means of example, if the buyer incurs costs for the distribution of the goods, the marking of the goods or any other cost, the warranty will never cover these incidental costs as the goods are deemed to have been controlled and validated by the buyer at time of receipt of the order before all treatments or manipulations (shipping, marking, or other).
- 12. Retention of Ownership clause**
- 12.1. The goods remain property of the vendor until full payment of the goods by the buyer.
- 13. Payments**
- 13.1. The payments are made in EURO or in any other currency stipulated explicitly in the contract, net at our address and without discount, unless agreed upon by the vendor.
- 13.2. The invoices are validly sent by email. By means of accepting these general terms, the buyer agrees upon the fact that the invoices will be validly communicated by email.
- 13.3. The invoices are payable at the due date mentioned on the invoice. Every delay in the payment of the invoices will automatically and without any notice give rise to a lump-sum compensation of 15%, with a minimum of 250€, and a 12% per annum interest rate from the date of the invoice.
- 13.4. Any taxes whatsoever, present or future, of any nature whatsoever, shall be borne by the buyer.
- 13.5. If the buyer has provided incorrect information on the final destination of the goods or on the VAT registration, causing a VAT correction for the vendor, the buyer shall have to pay the full VAT as well as all other penalties claimed to the vendor by its tax or VAT administration.
- 13.6. The invoices are deemed to be accepted if no protest was formulated by the buyer by email with acknowledgement of receipt by the vendor, within 8 days of its receipt. In the absence of an acknowledgement of receipt by the vendor, it shall be presumed that the vendor has not been notified about the protest.
- 13.7. All costs arising from a check refusal, the non-acceptance of a bill of exchange, a letter of credit or more in general the refusal of the buyer's payment by the vendor's bank will lead to the automatic rebilling of these costs to the buyer.
- 14. Delegation of powers clause**
- 14.1. In case of discordances or disputes on the validity, interpretation, execution or any other issue concerning the contract concluded between parties, the courts of Varese (Italy) have exclusive jurisdiction.
- 14.2. Italian law is applicable, except otherwise stipulated explicitly and by writing by the parties.
- 15. Invalidity of a clause**
- 15.1. When a clause of these general terms is null and void, this will not affect the validity of other clauses of these general terms and will not result in their invalidity.