

## GENERAL TERMS AND CONDITIONS OF PURCHASE

(Edition September 2013)

### I. Scope

1. These General Terms and Conditions of Purchase (hereinafter "General Conditions") shall apply to the orders placed by Brenntag S.p.A, or rather Romana Chimici S.p.A, or rather Natural World S.r.l (hereinafter all referred to as "Brenntag") to all their suppliers of goods and/or services (hereinafter the "Supplier"). These General Conditions of Purchase shall apply also to further orders issued to the Supplier, even when no specific provision refers to their applicability.
2. Unless otherwise agreed in writing by Brenntag, these General Conditions unconditionally prevail over the Supplier's general terms and conditions of supply, if any.

### II. Definitions

In the context of these General Conditions, the following terms shall have the meaning specified and assigned to each of them below:

1. Inquiry: means a non-binding request issued by Brenntag in order to obtain the free submission of an offer from the Supplier.
2. Order: means purchase orders issued by Brenntag to the Supplier.
3. Hazardous substances: means any mixtures, substances and products as identified by the Italian Legislative Decree No. 334 dated 17 August 1999, implementing the European Directive 96/82/CE, and/or set forth by the Regulation No. 1272 of the European Parliament and the European Council, dated 16 December 2008.
4. Call-Off: means a binding request issued by Brenntag, concerning the delivery of goods, following a binding supply contract and/or a framework agreement.
5. Written form: within these General Conditions, means the essential requirement of the written form and it further refers to communications between the Parties made by fax or by e-mail.
6. Working days: means each day from Monday to Friday, with the exception of public holidays in the district where Brenntag has its registered office.

### III. Offer. Offer documents.

1. The Supplier shall expressly notify in writing Brenntag with any amendment or change to the Inquiry and/or to the Order.
2. Cost estimates shall be considered valid and binding for Brenntag only upon its prior written acceptance.
3. Brenntag reserves all and any ownership and intellectual and industrial property rights to illustrations, drawings, calculations and to any other commercial and technical documents. Unless otherwise agreed in writing, the Supplier shall forbid to third parties to have access to such documents and properties. The documents shall be used exclusively for the purposes related to the supply and they shall be immediately returned to Brenntag, without the need of a specific request of Brenntag, once the supply is performed.

### IV. Contract conclusion. Documents. Origin of goods.

1. In the context of these General Conditions, the Orders, Call-Offs, any contract execution, as well as amendments and additions thereto, must be agreed on by the Parties in written form.
2. The Supplier shall notify in writing and without delay, at the latest within 5 (five) working days from the receipt, either the acceptance or the denial of the Order. Whether a Call-Off is communicated, it is considered to be effective and binding, if the Supplier makes no opposition within 5 (five) working days from the notification of the Call-Off.
3. Unless otherwise agreed in writing, the ownership, the intellectual and industrial property rights concerning illustrations, drawings, calculations and any other commercial and technical documents provided or made available by the Supplier shall pass free of charge onto Brenntag. Brenntag shall receive, with respect thereto an exclusive right to use them without any object, time or territory limitation, including the right to transfer and sub-license.
4. Unless otherwise provided for in the Order, the Supplier shall guarantee that the delivery goods comply with the Conditions of Origin of the European Community and meet the provisions of the European Community Preferential Trade Agreements (PTA). The Supplier especially undertakes to comply with the REACH European Regulation No. 1907/2006 concerning the registration, evaluation, authorisation and restriction of chemical substances. At Brenntag's request the Supplier shall provide, without delay and free of expense, the certification of origin of the Supply, the health and safety certification of the goods, as well as the documents and the certifications necessary with regard to exportation of goods to countries inside and/or outside Europe, in accordance with the European provisions on exportations.

### V. Prices and terms of payment

1. Unless otherwise agreed in writing, the prices indicated in the contracts are to be considered fixed and not subject to review.
2. Prices shall be intended net of duties, packaging, insurances and transports, unless not otherwise agreed (whether charged to Brenntag) VAT at the applicable rate shall be shown apart on each invoice.
3. Invoices from the Supplier shall be accepted only if they meet the following requisites:
  - every required information as per Value Added Tax Law;
  - when provided, Brenntag Order number;
  - both the delivery address and the delivery date.

#### **VI. Deliveries. Time limits.**

1. Unless otherwise agreed in writing, supplies specified in the Order together with packaging and the insurance shall be delivered in compliance with the provisions of the Order, on the date, at the place and in the manner set out therein, meeting the provisions "Delivery Duty Paid" (DDP, INCOTERMS 2010). Whether the Parties agree on different conditions of delivery, the same shall comply to the in force INCOTERM 2010 definition, at the time of the conclusion of the contract.
2. Whether the parties agree in writing to charge on Brenntag the delivery costs, the Supplier shall apply for each Order the most reasonable conditions on prices and the most suitable means of transport.
3. Unless otherwise agreed in writing, each Order shall refer to a single batch.
4. The Supplier shall warrant a percentage equal to 80% of the minimum conservation durability of the products and the goods delivered to Brenntag. This percentage of conservation will be evaluated since the entrance of the supply in Brenntag's warehouse or considering the day of receipt by the client in the event of a trilateral agreement.
5. Unless otherwise agreed in writing and/ or without Brenntag prior written consent, partial deliveries are not allowed.
6. The delivery terms stated in the Order or within the Call-Off are always binding for the Supplier.
7. If the Supplier fails to observe the time limits for carrying out the Order, he shall be liable to a daily-penalty, which Brenntag will be entitled to apply in the percentage equal to 0,2% on the invoice amount, up to a maximum coverage of 10%.  
In the event of penalty application, Brenntag shall remain entitled without prejudice to claim for contract fulfilment and/or to compensation for additional damages.
8. The Supplier shall notify in due time Brenntag, of any occurrence likely to delay the performance of the Order as well as the observance of the time limits, without prejudice for any Brenntag's rights arising out of the delay.
9. In the event of late delivery attributable to the Supplier he shall remedy, by delivering the Order at his own risk and expense within the most reasonable period of time and by availing himself of the fastest means of transport.
10. If requested, the Supplier must provide Brenntag with a copy of the insurance policy, showing the insured value per accident, which must be proportionate to the value of goods/ services to be supplied under the Contract.

#### **VII. Transfer of ownership**

1. The transfer of ownership shall be effective upon delivery.  
Unless Brenntag so agrees in writing prior to the delivery, the Supplier may not invoke against the Buyer any retention of title in respect of the goods delivered.

#### **VIII. Transfer of the risk, packaging, delivery documents**

1. Transfer of the risk shall be governed according to the International Chamber of Commerce Rules – "INCOTERMS 2010". In the event of an acceptance inspection, the risk will transfer only after the testing or the check of the goods, at the Supplier's warehouse or at the site agreed by the Parties for the delivery.
2. Delivery notes as well as packing slips shall be attached in two copies to the Order. The Supplier shall list, on each delivery document as well as on each packaging as follows: the Order number, the product code and the typology of goods, the batch number, gross and net weights of goods, the progressive number and the type of packing (if disposable or re-usable), the delivery and the discharge site.
3. In the event of chemicals or hazardous substances delivered, the Supplier shall provide to enclose to each batch a specific analysis certificate, for the purposes of the control on outgoing goods.
4. In the event of hazardous substances delivered, the Supplier shall comply with the relevant national and international provisions relating to the packaging, mark and delivery. Furthermore, the Supplier shall time to time send a Safety Data Sheet (SDS) to Brenntag, even when no specific provision of law imposes it. If needed, the Supplier shall update the Safety Data Sheet (SDS) and send the current version to Brenntag without delay. Each transport document shall contain the information prescribed by the relevant transport regulations.
5. The Supplier shall provide to packaging and securing the goods so that any damage during the transportation will be avoided. At Brenntag's request, in compliance with the dispositions of law, the Supplier shall provide to collect the packing material at his own expenses at the place of delivery and during the normal business hours.

#### **IX. Provisions regulating the dispatch / Deliveries. Work on Brenntag's premises**

The Supplier, as well as his subcontractors, declare to know and accepts Brenntag's "Policy health, safety, environment and social responsibility", forming an integral part of these General Conditions and which result to be in force with reference to each Order and at Brenntag's premises.

#### **X. Compliance with statutory provisions**

1. The Supplier shall carefully comply with particular reference to the following legal provisions:
  - EC Regulation No. 1907/2006 (REACH)
  - EC Regulation No. 1972/2008 (CLP)
  - Legislative Decree No. 334, dated 17 august 1999
 In their respective in force version at the time of the Order.
2. When, in compliance with the legal provisions and with particular reference to the EC Regulation No. 1907/2006 (REACH), Brenntag must register the goods, the Supplier shall provide on time and free of expense all the necessary and available information.  
The Supplier without delay shall also communicate to Brenntag about the appointment of the Sole Representative.

#### **XI. Checks and inspection on incoming goods**

1. In sales of goods to be delivered, Brenntag check and inspection shall be limited to the compliance of the kind and quantity of the delivered goods with the Purchase Order and to damages in transport.
2. The delivery of non-compliant goods and/or non-compliant quantity of goods shall be notified to the Supplier within five working days from delivery. Defects of goods shall be notified within ten working days from discovery. In case of direct sale to a final Buyer, Brenntag shall notify to the Supplier final Buyer's claims within five working days from receipt thereof.
3. The Supplier shall bear all the expenses if further checks and inspections are required after the discovery of the defects of the goods.

#### **XII. Warranty against defects and lack-of quality**

1. The Supplier warrants that goods and every part of them are free from defects which diminish their value or render them unfit for their intended purpose. In particular, Supplier warrants
  - that goods comply with the Purchase Order;
  - the merchantable quality of goods, taking also into account the intended use described in the Contract;
  - that goods comply with the generally accepted technical practice;
  - that goods comply with public policy legal provisions (with special, but not limited, regard to public security and safety-at-work regulation) in force at the time of delivery;
2. In case of defective goods and/or services provided from the Supplier, Brenntag shall be entitled to the warranty action without any restriction and shall reserve the right to choose the proper remedy to be carried out by the Supplier. If the Supplier denies or fails to remedy the defects within a reasonable period of grace set by Brenntag, Brenntag shall be entitled to act directly or ask for a third party intervention.
3. The Supplier shall be liable for any misconduct and negligence of its subcontractors/subsuppliers/employees.

#### **XIII. Product liability. Recall of unsafe product. Unsafe product defects**

1. The Supplier shall be responsible for all personal injury or property damage caused by the products resold by Brenntag. Supplier shall defend, indemnify and hold Brenntag harmless from and against any and all loss, liability, cost and expense (including reasonable attorney's and expert's fees) arising out of a third party claiming damages.
2. If the Supplier is legally bound to inform Public Authorities on the merchantability of goods, the Supplier shall inform Brenntag about this circumstance.
3. In case of restriction measures imposed by Public Authority on the merchantability of goods, Brenntag shall be entitled to withdraw from the contract. In this case Supplier shall indemnify Brenntag against all damages and costs.
4. The Supplier shall have and maintain insurance coverages for the contractual risks (in particular, for product liability) since the agreement is in force, within the limit of the applicable statute of limitation terms. The Supplier shall provide written evidence of the insurance coverages at first Brenntag request.

#### **XIV. Quality Assurance**

1. The Supplier shall be bound to act under quality assurance such as ISO Quality Certification. The Assurance shall be in force until the termination of the Agreement. Supplier shall provide written proof at first Brenntag request.
2. The Supplier shall inform Brenntag of any change in production process concerning place of production and the use of particular substances and provide all further related information at Brenntag request.
3. Brenntag shall be entitled to visit Supplier's offices and warehouses in order to directly verify the fulfilment of the obligations in paragraphs 1 and 2. Such visits shall be done during working time and with respect of Supplier's business.

#### **XV. Ownership, intellectual property and third party rights**

1. The Supplier shall represent and warrant that the goods are not encumbered with the rights of any third party (in particular, patent rights, copyrights, personal and trademark rights), which might prevent or limit the intended usage and/or the normal usage of the goods.
2. Brenntag shall notify the Supplier in case of a third party's claim that prevents to Brenntag and its customers the intended usage of the goods. The Supplier shall either, at its own expense and at the sole discretion of Brenntag,
  - (a) obtain for Brenntag the right to continue using such goods, and in particular to obtain the needed license, or
  - (b) release the goods from third party rights, in order to grant to Brenntag the full ownership of the goods, or
  - (c) replace them with not-encumbered goods, with the same characteristics of the delivered goods.

3. The Supplier shall, at its exclusive costs and expenses, hold Brenntag harmless against any eviction claim, and indemnify Brenntag from all costs and expenses related to all such third party claims. This warranty is excluded only if the third party rights were unknown to the Supplier and might not be known even using the prudence of a shrewd businessman.
4. In case of eviction of the of goods, Supplier shall support Brenntag, providing all documents and information that would be required.

#### **XVI. Confidentiality**

1. The Supplier shall treat all technical and market information provided by Brenntag as strictly confidential and shall not disclose them to third parties. All such information shall be used by the Supplier only for the purposes of the contracts. All such information may not be disclosed to or in any other way communicated to or used by others than the personnel of the Supplier that is directly involved in the performance of the contract. Such disclosure shall be strictly limited to this purpose and all such personnel shall be subject to the same Supplier's confidentiality obligation.
2. All provided, registered and copied information and all goods made available to Supplier shall be immediately returned or destroyed, at to Brenntag's option, except in case of legal registration obligations.
3. Brenntag is the sole owner of the rights on the provided information (including copyrights and registration industrial property rights such as patents, utility models etc.)
4. The Supplier shall not use or assign or reveal to third party any information about Brenntag product models, analysis methods and technical procedures.

#### **XVII. No Assignment**

The Supplier shall not be entitled to assign or otherwise transfer any rights or obligations under the Agreement without the prior written consent of Brenntag.

#### **XVIII. Right of withdrawal**

In addition to termination for non-performance right (Article XIX), and for Force Majeure (Article XX), Brenntag shall be entitled to totally or partially withdraw from the Agreement in any moment and at its sole discretion, giving the Supplier written notice. According to Brenntag request, Supplier shall totally or partially interrupt the contract performance and shall provide the same for its sub-suppliers.

In case of partial withdrawal, Supplier shall continue to duly execute the residual obligations.

#### **XIX. Termination for non-performance**

Brenntag shall be entitled to terminate totally or partially the Agreement giving the Supplier written notice if:

- (a) the Supplier fails to perform its obligations under the Purchase Agreement and does not undertake proper remedy within the time requested by Brenntag, or
- (b) the Supplier fails to perform the obligations under Artt. XV (Ownership, intellectual property and third party rights), XV (Confidentiality), XVII (Assignment), or
- (c) the Supplier enters into composition with creditor proceedings, is adjudicated in bankruptcy, enters into liquidation or is subject to protest, seizure or attachment.

#### **XX. Force majeure**

If an event of Force Majeure occurs (i.e. these events which are beyond control of the Parties, and which are unforeseen, unavoidable, even with due diligence, or insurmountable), contractual obligations shall be suspended during the period of delay caused by the event of Force Majeure and its consequences. The Party pleading Force Majeure shall promptly inform the other Party in writing and shall transmit as soon as possible, and, in any case within thirty (30) days thereafter, evidence of the occurrence and the expected duration of such eventual Force Majeure.

If the consequences of the Force Majeure event continue thereafter, Brenntag shall be entitled to terminate the Agreement.

#### **XXI. Miscellaneous**

1. Any amendment to the Purchase Agreement shall be made in writing. The waiver of the written form as an essential requirement for amendments shall be made in writing.
2. Deliveries shall be made in the address specified in the Purchase Order. Payments shall be made at Brenntag registered offices.
3. Any dispute arising out of or connected to the contracts shall be submitted to the exclusive jurisdiction of the Law Court of Milan, or, at the sole option and discretion of Brenntag, to the Law Court of Supplier's domicile or registered offices.
4. The contracts and any non-contractual obligations arising out of or in connection herewith shall be governed, construed and enforced in accordance with the laws of the Italian Republic, exclusion of its conflicts of law rules. United Nations Convention on International Sale of Goods shall not be applied.

5. In the event that any provision of these General Conditions becomes invalid, only the said provision shall be considered ineffective and the remaining provisions shall remain in full force and effect. The Parties shall in such a case provide for new provision that replaces the invalid provision and as far as is possible ensures through its content an equivalent result.

Datum

(Supplier's signature)

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**According to Artt. 1341 § 2 and 1342 Italian Civil Code, the following Articles are separately and expressly approved: XI Checks and inspection on incoming goods - XII Liability for defects and non-compliance - XIII.3 Withdrawal due to restriction measures - XVII No Assignment - XVIII Right of withdrawal - XIX. Termination for non-performance - XXI.3 (Jurisdiction).**

Datum

(Supplier's signature)