

General terms of sale

These General Conditions are an integral part of the Contract drawn up between the Parties when the purchase order is sent by the purchaser.

1. Recitals, annexes and definitions

This price list of which the General Terms and Conditions of Sale are an integral part, annuls and replaces all previous versions. The terms and expressions listed below in alphabetical order and starting with a capital letter shall be understood to have the following meaning in these General Conditions as well as in the Contract, unless expressly indicated otherwise:

PURCHASER AND/OR CUSTOMER. Refers to the legal entity (public or private body or person) intending to purchase the Products.

COLORIFICIO SAMMARINESE AND/OR THE SELLER. Refers to Colorificio Sammarinese S.p.A., a company established under the laws of San Marino and based in Via del Camerario no. 7, postal code 47891 Falciano, Republic of San Marino, Economic Operator Code (C.O.E.) SM00026.

GENERAL CONDITIONS. Refers to the general terms of Contract set forth in this document which are an integral and essential part of the Contract.

CONTRACT. Refers to the contract stipulated between Colorificio Sammarinese and the Purchaser – supplemented by these General Conditions – regarding the acquisition of Colorificio Sammarinese Products by the Purchaser.

PRIVACY LAW. Refers to Law No. 171 of 21 December 2018, as amended, and the provisions of the General Data Protection Regulation (No 679/2016).

TRANSPORT DOCUMENT (DDT). Refers to the transport document which certifies the transferral of Colorificio Sammarinese Products to the Purchaser.

PURCHASE ORDER. Refers to the contractual proposal under which the Purchaser invites Colorificio Sammarinese to stipulate the contract regarding the sale of Colorificio Sammarinese Products and under which Colorificio Sammarinese in turn undertakes to deliver a set quantity and quality of Colorificio Sammarinese Products for payment of a price which the Purchaser is obliged to make.

COLSAM PRODUCTS. Refers to the colours and/or varnishes and related products that are manufactured, marketed and sold by Colorificio Sammarinese.

2. Purchase Orders

Purchase Orders for the Products constitute an irrevocable purchase order made by the Purchaser and are not binding upon Colorificio Sammarinese, which reserves the right whether or not to accept them. Purchase Orders shall only be acknowledged as completed when they have been accepted in writing (i.e. Purchase Order signed in acceptance, issuance of invoices, etc.) by Colorificio Sammarinese. The Seller reserves the right not to accept the Purchase Order whenever: a) the Purchaser fails to meet (or has previously failed to meet) the obligations undertaken with Colorificio Sammarinese for any reason whatsoever; b) the Purchaser figures on the National Defaulters File

or has undergone insolvency proceedings; c) the Purchaser has a legal impediment, or does not possess, or has lost, the professional qualifications required to pursue its business activities; d) the Purchaser is being compulsorily or voluntarily wound up or is making an application for, or is subjected to, insolvency proceedings; e) the Purchaser finds itself in conditions that might jeopardise due payment for the Products under the Contract (based on studies and analyses aimed at preventing and controlling default risk, fraud prevention and credit protection). In any case, Colorificio Sammarinese reserves the right to accept the Purchase Order only upon set conditions, such as specific methods of payment and/or the issuance of appropriate guarantees. Any additions or changes made to the Purchase Order (this includes any made by Colorificio Sammarinese agents) shall not be binding on the latter in the same way and Colorificio Sammarinese may either accept or reject them without prejudice to the original Purchase Order. If Colorificio Sammarinese submits the Purchase Order to the Purchaser, the latter's signature on this Purchase Order shall mean that the Contract has been entered into. Therefore, during performance of Contract, the Purchaser may not make objections nor express reservations due to facts, circumstances and/or conditions that derive, either directly or indirectly, from a lack of knowledge of the provisions of these General Conditions.

3. Minimum order quantity

Colorificio Sammarinese reserves the right to accept and complete only Purchase Orders that comply with the minimum order requirement amounting to Euro 250.00 (two hundred and fifty/00) for Products, net of various charges. Purchase Orders cannot be supplemented once they have been sent.

4. Subject-matter of the Contract

The subject-matter of the Contract relates exclusively to the Products specified in the Purchase Order. Product features and product-related information found on catalogues and/or price lists, the Internet and/or any other documentation regarding the Products due to be supplied must be regarded as merely indicative since their sole purpose is to illustrate the merchandise and cannot, therefore, be binding on Colorificio Sammarinese.

5. Colorificio Sammarinese products and prices

The prices of Products must be understood to be non-binding on Colorificio Sammarinese since they can be changed by Colorificio Sammarinese itself, provided it notifies the Purchaser in writing at its address prior to dispatching the Products. The prices of the Products must be understood as ex-works and do not include value-added tax (VAT), stamp duty, tax stamps, duties or taxes of any other kind, the costs of which shall always bear on the Purchaser, unless otherwise specified. The Products are sold by weight or by volume, as established at the point of dispatch at the Colorificio Sammarinese plant. The shades shown on colour swatches and charts are purely indicative as colour swatches and charts are prone to discolouration. For factory production of shades not in stock, prices will be increased by a minimum of 5% and a maximum of 10% for the service of developing the requested shade. Purchase Orders referring to colours not in stock must meet the minimum order requirements indicated in the price list, i.e.:

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- Enamels and products for wood: 160 l for products with the base available and 300 l for products without the base available.
- Primers: 800 l
- Coloured paints: 800 l
- White paints: 2,000 l
- Coatings/quartzes: 800 l
- Traffic paints: 200 l for products with the base available and 800 l for products without the base available.

The conversion into kilograms must be calculated based on the specific weight of the product. The Purchaser shall henceforth accept that there may be a 10% variation (either one way or the other) in the Products supplied as compared to the quantity ordered.

6. Purchase of empty branded cans

If the Customer intends to use the empty cans to resell products, Colorificio Sammarinese declines all liability for any non-conformity to the applicable standards and regulations of the product introduced on the market and for the integrity of the contents.

7. Terms of delivery

The terms of delivery refer to the time required to prepare the Products in the warehouse. Except in cases of force majeure, the Products will be delivered within 10 (ten) working days from the time Colorificio Sammarinese receives the Purchase Order. Delivery of the Products to the Customer will depend on the availability and standards of the carriers and couriers that Colorificio Sammarinese uses and, therefore, is not directly ascribable to Colorificio Sammarinese. The terms of delivery for the Products must be regarded as indicative, even though the Seller undertakes to make the deliveries within the time frame stated above. The terms of delivery are subject to the availability of the Products specified on the Purchase Order in the Colorificio Sammarinese warehouse.

8. Force majeure, impediments to performance of contract

Any whatsoever cases of force majeure, unforeseen difficulties within the company, relating to transport and/or shipment, war, acts of terrorism, fire, flooding, unexpected shortages of labour, raw materials and ancillary products, energy shortages, strikes, lockouts, acts of government or impediments of any other nature that are not dependent on Colorificio Sammarinese or, generally speaking, on the contracting party whose duty it is to render the service, and which slow down, delay, hinder or impede the production, shipment, collection or consumption of Colorificio Sammarinese Products, shall dispense from the commitment to supply or collect for the duration of the impediment and according to its extent. If, in the aftermath of the force-majeure event, supply and/or collection is delayed by over 8 weeks, both contracting parties are entitled to withdraw from the Contract provided they inform the other party in writing beforehand.

9. Shipments

For shipments within Italy, the Purchaser must pay Colorificio Sammarinese a fee for shipment expenses amounting to € 0.04/kg for waterborne paints and powders, traffic paint and thinners, and amounting to € 0.08/kg for all other products. The overall amount of the contribution for the shipment costs (COSPEDI) will appear on the invoice that Colorificio Sammarinese sends to the Purchaser.

Shipment will take place at the Purchaser's own risk even if the material is sold free of carriage. Shipment will take place using the method deemed most appropriate for the kind of Product sold, by virtue of the appointment by the Purchaser to carry out this task on its behalf. Nonetheless, the Seller shall not be held liable should delivery of the Products be affected by delays and/or mix-ups and/or missing items as a result of transport of said Products. The Products will be delivered by the carrier to the place indicated by the Purchaser on the Purchase Order; the Purchaser must take charge of the Products delivered by the carrier and may not, under any circumstances, leave said Products stored on the carrier's premises. It is to be understood that should any storage costs be incurred for any reasons whatsoever, these shall be borne entirely by the Purchaser. The Purchaser must carefully check that the quantity, quality and nature of the Products delivered by the carrier match the quantity, quality and nature of the Products listed on the shipment document (DDT). The Purchaser must immediately report any missing items and/or damage and/or abnormalities and/or defects to the carrier by making a note on the bottom of the shipment document; this note, with the wording "Package damaged – reserve the right to make checks" must then be signed by both the Purchaser and the carrier. A copy of the shipment document (DDT) with the complaint duly signed by both parties must be sent to Colorificio Sammarinese within 2 working days, together with photographic evidence of the product on the pallet. This is without prejudice to Colorificio Sammarinese's right of redress against the carrier. The only exception to this is when the sheer quantity of Products prevents the Purchaser from checking the quantity, quality and nature of the Products at the actual time of delivery. In such circumstances, the words "RESERVE THE RIGHT TO CHECK QUANTITY AND QUALITY OF MERCHANDISE" can be written on the shipment document (DDT) and the Purchaser will have to report any missing items and/or damage and/or abnormalities and/or defects within 4 (four) working days of the delivery date as stated on the shipment document (DDT).

In such case, the complaint submitted by the Purchaser to Colorificio Sammarinese must be supplemented with photographic evidence that clearly shows: 1) the state of the pallet that the carrier delivered to the Purchaser; 2) the state and position of the merchandise inside the pallet delivered; 3) a detailed picture of the damage and/or defect and/or abnormality found, including an indication of the batch number, quantities and item code as well as a sample of the product itself. The Products will be delivered on standard EPAL pallets and the Purchaser must return the pallets upon delivery. If the pallets received are not returned or are only partially returned, the missing pallets will be charged at the price in force at the time of the check. The Purchaser shall be solely responsible for disposing of empty or partially used containers. Where express shipping is requested, the cost will be borne solely by the Purchaser, up to a maximum value of €25 per each pallet. International shipments are always made on an EXW (EX-WORKS) basis, with the transport costs and risks bearing on the Purchaser.

10. Terms of payment

Payment for supplies of Products must be made: 1) directly at the registered office of Colorificio Sammarinese; 2) to an authorised individual as described on the invoice; 3) by bank transfer payable to the IBAN code at the bank indicated by Colorificio Sammarinese on the invoice; or, 4) by cash order (RIBA). Should the Purchaser wish to settle the amounts on the invoice with negotiable instruments (such as cheques, bills of exchange, etc.), Colorificio Sammarinese must first authorise this method of payment and it will only grant acceptance if the on-demand instruments have been signed by the Purchaser. When making payment, the Purchaser must adhere to the terms, methods and

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conditions set forth in the Purchase Orders and/or in the Purchase-order Confirmations and Invoices. The Purchaser must make payment of the entire amount indicated on the invoice; Colorificio Sammarinese will not accept any deductions and/or discounts unless express agreements in writing have been made between the Purchaser and Colorificio Sammarinese. As for any cash order payments (RIBAs) made by the Purchaser, Colorificio Sammarinese will charge for collection costs amounting to € 2.50 (two/50) per cash order. In the event of outstanding amounts, fees will be charged to compensate for administrative work and debt-collection activities without prejudice to Colorificio Sammarinese's right to ask for compensation for greater damages. Should the Purchaser delay payment by even one working day (based on the terms laid down by Colorificio Sammarinese), the Purchaser will be obliged to pay default interest accrued on the overall amount shown on the invoice and there shall be no need for an official letter of notice. In the case of instalment payment, the parties hereby acknowledge that VAT must be paid first and, after this, the principal sum.

Should the Purchaser either delay payment of the amount due or fail to make the payment, Colorificio Sammarinese may – at its own unquestionable discretion and prior written notification – suspend the supply of the Products. Should the Purchaser delay payment and/or fail to pay even one instalment, Colorificio Sammarinese may – at its own unquestionable discretion – suspend subsequent deliveries of the Products and demand full and immediate payment of all sums due by the Purchaser. Should any negative information come to light about the Purchaser (protests, enforcement measures, changes to the Balance Sheet, etc.), Colorificio Sammarinese will be authorised to consider all outstanding payments as immediately payable regardless of the due date; otherwise, it may demand special guarantees for future payments.

11. Retention-of-title clause

Should contractual agreements stipulate that payment may be made either wholly or partially after the delivery, the Products will continue to belong to Colorificio Sammarinese until the entire sum due has been settled, unless the Products have been already transformed and/or incorporated into other assets owned by the Purchaser or by third parties. The Purchaser undertakes to take care of the Products falling under the retention-of-title clause and undertakes to preserve them at its own expense.

12. Colsam trademarks and distinguishing signs

The trademarks and distinguishing signs are within the exclusive availability of Colorificio Sammarinese S.p.A., and no claim may be raised by the Customer over such trademarks and distinguishing signs, including web domains and social network accounts attributable to the Colorificio Sammarinese trademarks. The trademarks and distinguishing signs may not be altered nor may other names or trademarks be added.

The Customer may only make use of the trademarks and distinguishing signs in order to identify and advertise the Products within the context of the Contract and in the sole interest of Colorificio Sammarinese, subject to the written agreements stipulated with Colorificio Sammarinese S.p.A., and undertakes to ensure that it does not do anything, either directly or indirectly, that may in any way undermine the value, integrity, honour and reputation of the trademarks and distinguishing signs. The Customer's right to use Colorificio Sammarinese's trademarks, names or distinguishing marks will cease immediately upon termination of the Contract for any reason, or when no supplies or purchases have been made for 12 consecutive months.

13. Express termination clause

Failure to abide by the terms of payment shall entitle Colorificio Sammarinese: 1) to terminate the Contract ex lege, informing the Purchaser in writing with a notification to be sent by registered letter with proof of receipt; this is without prejudice to Colorificio Sammarinese's right to withhold any amounts received from the Purchaser as compensation for damages as well as for the usage of the Products by the Purchaser, notwithstanding Colorificio Sammarinese's right to take further action to claim compensatory damages; 2) to suspend processing of all orders or partial orders under way; 3) to charge the Purchaser (without prejudice to any further possible action) as from the due date of payment, all interest on arrears provided for by law, without any need to send the Purchaser a letter of formal notice.

14. Legal expenses

Any outstanding amounts due by the Purchaser shall entitle Colorificio Sammarinese to appoint a solicitor to arrange for collection. Once the solicitor has been appointed, the Purchaser shall be required to pay Colorificio Sammarinese the amount due to settle the outstanding debt, in addition to the expenses incurred for the collection procedure as well as statutory interest.

15. Right of withdrawal

Colorificio Sammarinese reserves the right to withdraw from the Contract if, following the order confirmation, it receives business information about the Purchaser which deter it – at its own unquestionable discretion – from performing the Contract or continuing with its execution; the exercise of this right does not entitle the Purchaser in any way to claim compensatory damage or to submit other requests. In all cases to which Legislative Decree no. 206/05 is applicable, the Customer/Consumer is entitled to withdraw from the contract without having to bear expenses, costs and penalties and without needing to provide justification within three working days of the Purchase Order being signed or from the time when products were delivered and have been proven or shown to be of a different product type from that figuring in the Contract. Notice of withdrawal must be provided in writing via registered letter with proof of receipt, telegram or fax to the Seller. Should the right to withdrawal be exercised, any products already delivered can be returned in a perfectly intact state and in their original packaging at the expense and under the responsibility of the Customer. Products must be returned within ten working days of receipt of said products. Once the Seller has received the products and checked that they are perfectly intact, the Seller must, in the shortest time possible (and in any case within thirty days of having found out that withdrawal rights have been exercised), credit the price paid for the returned products (the price as indicated in the administrative documentation sent to the Customer); repayment must take place in accordance with the methods outlined in the notification of withdrawal.

16. Defects and flaws

The Products conform to the laws currently in force. Any complaints relating to the Products shall not entitle the Purchaser to suspend or delay the agreed payment either wholly or partially. With the transmission of the order, the Purchaser tacitly acknowledges to be familiar with the features of the products being purchased, as well as with the methods for storing and using them adequately. It therefore holds harmless Colorificio Sammarinese from any liability arising from failure to abide

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by said procedures. The Purchaser must check the quality of the goods and in-form Colorificio Sammarinese in writing of any defects, flaws or missing items within 4 calendar days of delivery; any complaints submitted after this term shall not be accepted.

Should any flaws, defects or faults be discovered after this time limit, the Purchaser must inform Colorificio Sammarinese in writing within 8 calendar days of discovering them, unless said flaws, defects or faults could have been identified by a diligent examination upon their delivery to the Customer. In any case, Colorificio Sammarinese shall not be held liable for damage caused by misuse and/or usage of flawed or damaged materials; it shall not be held liable and is not obliged to safeguard the Purchaser in the event of damage ensuing from improper use of the Products and/or damage arising from the use of products other than those recommended by Colorificio Sammarinese. It is expressly understood between the parties that differences in shade can occur, in the event that the Customer requested an amount of Product that was not sufficient to complete the work at hand and was consequently forced to use different production batches in order to complete the work. Any complaints about the material will not entitle the Purchaser to suspend or delay agreed payment either wholly or partially. If Colorificio Sammarinese did not provide the Purchaser with the service of installing, applying or laying the products, but limited itself to indicating – upon request – third parties capable of providing such a service, Colorificio Sammarinese may not be held liable, under any circumstances, for a sub-standard application, the latter being ascribable, either directly or indirectly, to the actions and fault of the layer-applicator and/or the Customer who directly performed the application.

17. Solve et repete

The Purchaser may not institute any legal actions if it has not demonstrated that it has met its obligations, with particular reference to its duty to make full settlement for the supplies.

18. Exclusions and limitation of liability

Without prejudice to the provisions stated in these General Conditions regarding exclusion of liability for Colorificio Sammarinese, the parties henceforth agree that, should it be established that Colorificio Sammarinese is liable, the extent of its liability may not exceed the price of the Products purchased with each Purchase Order and under dispute; therefore, any additional compensation and/or indemnity on any account and/or for any reason is henceforth excluded.

19. Acts of tolerance

Under no circumstances may Colorificio Sammarinese's failure to exercise its rights (i.e. should it fail to demand that the provisions of this Contract be strictly abided by) imply that it has foregone its right to demand that the provisions be complied with, and any inaction on its part must be understood to be a mere act of tolerance.

20. Protection of personal data

Any personal data provided for the purpose of the execution of this Contract shall be processed with digital or manual means by the contracting parties in accordance to the provisions of the Privacy Law, solely for the purposes connected with the execution of this Contract. The Purchaser expressly authorises Colorificio Sammarinese to collect,

use and communicate its personal data, as provided for the compilation of the order proposal or any online forms required for completing the relevant purchases, for purposes strictly related and instrumental to the management of the relationship with the data subject and the aims connected with the obligations set forth in the applicable laws. The data subject is expressly entitled to the rights as per the Privacy Law, namely: to request confirmation of the existence of its personal data at the Colorificio Sammarinese head office; to know their origin, processing approach and the purposes of the data processing; to request for the data to be updated, rectified and integrated; to request for the data to be deleted, made anonymous or blocked in the event of unlawful processing; to object to data processing on legitimate grounds, or whenever the data is used to send advertising materials, business information, market surveys, direct selling and interactive marketing communication; nevertheless, the personal data must be deleted, a written request must be sent to Colorificio Sammarinese's registered office.

21. Changes to and transfer of contract

These General Terms and Conditions of Sale consist of 6 pages. Colorificio Sammarinese reserves the right to amend these General Conditions at any time, either wholly or partially, while informing the Customer thereof using the contact details provided, at least 15 days before the scheduled date of application of the amendments. The amendments will be considered accepted by the Customer, unless the latter notifies Colorificio Sammarinese in writing, before the scheduled date of application of the amendments, of its desire to withdraw from the contract. Any compulsory conditions laid down by law, as well as government measures or measures imposed by other competent bodies, must be understood to be automatically incorporated into the Contract; likewise, any clauses in the Contract which are in conflict with said compulsory conditions must be deemed to be null and void. Should a court of law declare that one or more non-essential contractual clauses are ineffective or invalid, the Contract will continue to be effective between the parties as far as the other clauses are concerned and the parties must take it upon themselves to make provisions for the parts that this declaration may have caused to be missing.

22. Applicable law and competent court

This Contract is governed by the laws of San Marino and must be interpreted in accordance with said laws. Only the Court of San Marino will have jurisdiction over disputes that may arise between the Parties.

23. Approval of clauses

The Parties hereby represent that they have taken cognisance of the contents of all the clauses in this Contract, acknowledging that said clauses have been freely and fully agreed between them and that the clauses have been specifically approved by the Parties as a whole.