

Tapì S.p.A. – GENERAL TERMS AND CONDITIONS OF SALE

1. SCOPE AND ENFORCEABILITY

- 1.1. These general terms and conditions of sale ("**GTC**") exclusively govern Tapì S.p.A. ("**Tapì**") sales to its customers ("**Customers**"/"**Customer**" – Tapì and Customers, the "**Parties**") and they shall prevail over any Customer purchase terms and conditions.

2. ORDER AND ORDER CONFIRMATION

- 2.1. Orders shall be deemed valid and enforceable only if made in writing. Customer's orders shall be binding and irrevocable from the 7th (seventh) day after Tapì has sent the Order Confirmation to Customer.
- 2.2. Acceptance of orders by Tapì may only be made by issuing an Order Confirmation.
- 2.3. Whenever the Order Confirmation contains changes with respect to the order, such changes shall be deemed tacitly accepted after seven (7) days from receipt of the Order Confirmation, unless Customer has expressed his non-approval in writing.

3. PRICE

- 3.1. Unless otherwise agreed by the Parties, the prices shall be the prices shown in the Tapì price list in force at the time of receipt of the order or in any offer sent by Tapì before receipt of the order. All prices shown in the price list or in the offer shall be deemed excluding VAT and do not include shipping and insurance expenses.
- 3.2. The prices for custom, made to order products shall be prices formulated on a case-by-case basis and subject to the validity specified in the offer.

4. PAYMENT

1. Payments shall be made by bank transfer credited to the current account specified by Tapì, or by letter of credit, by bank draft, or cash (within the maximum limits permitted under current legislation). Tapì shall be entitled, and at its absolute discretion, to accept guarantees and bank guarantees, bills of exchange, drafts and bank cheques.
- 4.2. Customer may not under any circumstances suspend or delay payments, even in the event of a claim, complaint or dispute (*solve et repete*).
- 4.3. In the event of overdue payment, legal interest shall run without any need for

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Partita I.V.A.: 03230920278 - IT 03230920278 - R.E.A. PD 354293 - Reg. Imp. PD 03230920278 - Cap. Soc. € 16.532.540,00 i.v.

formal notice and Tapi shall be entitled to suspend orders and any other supplies in progress.

- 4.4. In the event of termination of the contract, any instalments paid by Customer shall be retained by Tapi as a penalty, without prejudice to seeking remedy for higher damages.

5. DELIVERY

- 5.1. The delivery terms shown in the orders shall in no way be deemed binding and, however, Tapi's liability in the event of delay and/or non-delivery is expressly excluded. Any delay in delivery or - without prejudice to the provisions of clause 7 further on - any delivery in part of the products shall not be reason for terminating the contract. Any formal notice given by Customer shall only be valid whenever Tapi is given a term for performance of no less than seventy-five (75) days. It is understood, however, that Tapi's liability shall be excluded, even in the event of termination for non-performance.
- 5.2. The delivery terms shown in the order shall start to run from the time of receipt by Customer of the Order Confirmation issued by Tapi or, whenever manufacture of the products requires Customer to send documentation and technical specifications, from subsequent receipt of such documentation and technical specifications by Tapi, duly countersigned by Customer. However, it is understood that whenever such documentation is received more than thirty (30) days from the date of the Order Confirmation, Tapi shall be entitled, at its sole discretion, to change the price of the products or withdraw from the contract without Customer being entitled to claim or demand any compensation or indemnity whatsoever.
- 5.3. The return of goods shall be *Ex Works* (EXW – Incoterm 2010) at the Tapi factory, unless otherwise agreed with Customer (other Incoterms).

6. WAREHOUSING AND STORAGE

- 6.1. The Parties may agree in writing, in exceptional cases, on any temporary storage by Tapi of a limited quantity of goods on behalf of Customer.
- 6.2. In such case, warehousing shall be made free of charge for the first 15 (fifteen) days. Starting from the sixteenth day, Customer shall be required to pay for the storage service at a fee of € 30.00/ month for each pallet or fraction of pallet. The amount for storage costs shall be invoiced separately and storage fees shall be paid via bank transfer before shipment of goods. However, the storage time may not exceed eight (8) weeks from the time goods are at Customer's disposal, after such period Tapi shall be entitled to unilaterally decide to make delivery of goods to Customer, resell them to third parties or destroy the goods in stock.
- 6.3. Whenever Customer requests an extension to the storage period, and Tapi is

willing to accept such a request, against payment of € 5.00/calendar day as a storage service fee for each pallet or fraction of pallet and, however, up to a maximum period of an additional four (4) weeks. Within said period, Customer is required to collect the goods. Failing such collection, Tapi may deposit the goods at an external warehouse, charging the costs of such logistics storage to Customer or transferring the goods to an open area and any liability for the integrity, conservation and safekeeping of the goods shall be excluded.

7. PRODUCT QUANTITY AND TOLERANCE MARGINS

7.1 In consideration of the technically specific nature of Tapi products, their design features, the availability of raw materials on the market (often different materials within the same product) production lot sizes, the application of strict quality controls, variations in the quantity of products delivered shall be permitted, without being reason for Customer to raise any objections under any title or for any reason whatsoever.

7.2 However, Tapi warrants to comply with the following tolerance percentages:

Exclusive Products and Custom Products

- a. +7%/ -15% for lots up to 30,000 caps.
- b. +6%/-13% for lots from 30,000 to 100,000 caps.
- c. +5%/-11% for lots from 100,000 to 250,000 caps.
- d. +4%/-10% for lots over 250,000 caps.

Standard Products and Non-Custom Products

- e. +5%/ -10% for lots up to 30,000 caps.
- f. +4%/-9% for lots from 30,000 to 100,000 caps.
- g. +3%/-7% for lots from 100,000 to 250,000 caps.
- h. +2%/-6% for lots over 250,000 caps.

7.3 Customer accepts forthwith said variation percentages for the quantities described in Customer's order and in the Order Confirmation, warranting to pay the quantity actually delivered provided that it falls within the previously described tolerance margins. Whenever Customer shall require an additional product quantity, due to the lower number of caps delivered by TAPI, the Parties shall agree *ex novo* delivery terms and methods for a new product lot. Said lot shall be deemed a new order and shall be processed as such. Whenever the cap model to be supplied requires a minimum production run to be manufactured, the Parties shall agree on the change to the supply price or the increase in the quantity until the minimum lot run necessary to start production is reached.

8. CUSTOM OR EXCLUSIVE PRODUCTS

8.1 Customer, for whom custom or exclusive products have been made, warrants and, therefore, promises to indemnify and hold Tapi harmless, upon first

request and without exception, from any and all charges, costs and/or expenses incurred by the latter and arising out of claims made by third parties in relation to claims of unfair competition or infringement of industrial or intellectual property rights (including, but not limited to, trademarks, patents, models, copyrights or know-how).

- 8.2 Tapi shall be the sole owner of any improvements and/or adaptations and/or additions that it may make to drawings or designs supplied by Customer. Said improvements and/or adaptations and/or additions may not be used by Customer either directly or indirectly.
- 8.3 Unless otherwise expressly agreed by the Parties, any moulds to produce custom products shall remain the full and sole property of Tapi.

9. CONFIDENTIALITY AND INTELLECTUAL PROPERTY

- 9.1 Drawings, designs, renderings, data sheets, lists of components or materials, bills of materials, models, 3D prints, provisional or final samples (sent to Customer directly by Tapi or by third parties directly or indirectly connected thereto), prices, oral or written information, are confidential and shall remain the sole property of Tapi. Customer formally warrants to comply with and enforce confidentiality in relation to the preceding items by its employees and external co-workers and to protect the exclusive property of Tapi. Customer warrants, without prior written authorisation from Tapi, not to transfer or disclose to third parties any of the previously listed items under this clause. Since said items are the property of Tapi, Customer shall return them immediately upon first request.
- 9.2 Without the prior written authorisation from Tapi, all physical reproductions or graphic representations, also in part, are unlawful and shall be deemed an infringement of Tapi's intellectual property rights, as well as counterfeiting of the original product.
- 9.3 Whenever one of the cases described under sub-clauses 9.1 and 9.2 shall occur, Tapi may terminate the contract with Customer with immediate effect, without prejudice, however, to the right to claim damages suffered or *subendi*. Breach of the provisions of sub-clauses 9.1. and 9.2. shall be deemed material breach and of such gravity as to irreparably affect the basis of trust underlying the entire relationship between Customer and Tapi. Consequently, Customer shall be deemed as having forfeited the benefit of the term in relation to any sums due to Tapi, which shall fall immediately payable.

10. PRODUCT VALIDATION

- 10.1 To obtain the best result in combining Tapi closures with Customer's containers and to validate the cap/container combination, Customer is required to provide Tapi with the following information and samples:
 - a. Drawings with detailed tolerances of the opening, neck and body of the container.

- b. Minimum 12 bottle samples for each model/drawing (Note: produced from moulds with different numbers).
 - c. Any technical specifications/supply specifications prepared by Customer (the "**Technical Specifications**" and the "**Specifications**").
 - d. Type of product (cognac, gin, grappa, rum, whiskey, oil, vinegar and perfume, etc.) and alcohol content.
 - e. Specification of the headspace between the level of the liquid in the container and the rim of the opening.
 - f. Minimum and maximum temperature at which the cap seal will be tested after it has been applied.
 - g. Maintenance time of the cap applied, position of the bottle, minimum and maximum temperature after cap application and for the entire duration of the validation test.
- 10.2. Whenever a design/product is manufactured based on Technical Specifications and/or the Specifications, Customer shall show references to the Technical Specifications and/or the Specifications in the order, also attaching such references thereto. Whenever such information, in whole or in part, is not provided, Tapi shall proceed with validation tests and industrial production, based on its experience and its usual procedures, without Customer being entitled to raise any objections under any title and for any reason whatsoever. In the latter case, Tapi, at Customer's request, shall specify the control parameters used to Customer and shall also make the drawing with measurements and tolerances deriving from the design available to Customer.

11. STORAGE OF THE PRODUCT AT CUSTOMER'S PREMISES

- 11.1. For the product to maintain all essential requirements for expressing best performance, caps need to be stored by the Customer in a closed, clean environment, away from heat sources (however avoiding direct sunlight on packaging) and protected from external odours. The storage temperature should preferably be between 15°C and 25°C.
- 11.2. We recommend use within 6 months from the production date (for caps with cork stem or containing cork) and within 12 months (for caps with other stem types).
- 11.3. Before capping, however, Customer shall check the integrity of the lubricating layer of the cap and, however, conduct a validation test on a small quantity before starting a full production run.
- 11.4. Any caps in a box, only partially used by Customer at the end of production, shall be placed in the original box and sealed with adhesive tape before storage. Such caps shall not be mixed with any other product lots so as not to compromise traceability.

12. COMPLAINTS

- 12.1. Customer shall inspect products immediately after arrival at destination. Complaints for incomplete or incorrect deliveries, as well as for goods that clearly do not correspond to the contractual products, or damaged or defective goods shall be submitted in writing within eight (8) days from the time of delivery, under penalty of forfeiture, together with any marked packages for which the complaint has been made, annexing suitable documentation for such purpose to enable Tapi to identify the irregularity reported.
- 12.2. Any hidden defects or faults that cannot be detected immediately after delivery shall, under penalty of forfeiture, be reported within eight (8) days of discovery.
- 12.3. Product returns shall not be accepted unless authorised in writing by Tapi.

13. WARRANTY

- 13.1. Products are under warranty, within the limits of their respective technical specifications, against material and/or workmanship defects.
- 13.2. The warranty shall apply only to Customer and is limited to the replacement of the products supplied by Tapi, to be made *Ex Works* (EXW - Incoterms 2010) at the Tapi factory within the technical times normally necessary to manufacture the replacement lot. For such purpose, Customer, only if requested in writing by Tapi, shall return *Delivered Duty Paid* (DDP - Incoterms 2010) at his own expense, the defective products to Tapi, together with a report containing all information necessary for identifying the relevant lot and the delivery date, as well as a description of the defect identified.
- 13.3. The warranty shall not apply in the event of normal wear and tear due to use of the products and/or defects or malfunctions due to undue care in transport or storage or use that fails to comply with Tapi's instructions.
 - 13.4. The products are under warranty for a period of 12 (twelve) months from the date of shipment ex-works.
- 13.5. Said warranty is Customer's sole warranty. No other form of warranty, other than that under this clause, may be relied on by Customer.
- 13.6. Customer shall be automatically forfeited from this warranty whenever, at the time of identifying the defect, Customer is in default of his payment obligations.

14. FORCE MAJEURE

- 14.1. Whenever Tapi fails to meet the delivery deadlines due to force majeure events beyond its reasonable control, including, but not limited to, interruption or suspension of transport or energy, unavailability or shortage of raw materials, strikes or industrial unrest, delays or non-deliveries by its suppliers, embargoes or trade restrictions imposed by public authorities, acts of God, the running of time

shall be suspended from the day of notification of the impediment to Customer. After six (6) months from occurrence of such impediment, without such impediment having ceased, either Party may withdraw from the contract by simple written notice to the other Party.

15. GENERAL PROVISIONS

- 15.1. Whenever Tapi fails to assert the rights provided under these General Terms and Conditions of Sale or under the individual sales contracts, such action shall not be construed as tolerance or waiver of the right of the breached provision.
- 15.2. The Parties expressly acknowledge that for no reason, including any conduct, the continuous and repeated sales of products by Tapi shall not be construed as granting any exclusivity to Customer or give rise to a sales, distribution and agency relationship or any partnership for any other reason, unless the Parties have specifically provided for such an arrangement under a specific agreement.

16. APPLICABLE LAW AND VENUE WITH JURISDICTION

- 16.1. The GTC and all sales contracts concluded by and between Tapi and Customers shall be governed by Italian law, with the exclusion of the Vienna Convention on the International Sale of Goods of 1980 and the conflict of law rules.
- 16.2. For any and all disputes arising out of the GTC and/or sales contracts, or in relation thereto, the Court of Padua shall have sole and binding jurisdiction. Tapi and Customer waive any challenge to the jurisdiction of the Court of Padua and furthermore waive the right to bring or to call on warranty claims of the other Party before any other court other than the Court of Padua.

For acknowledgement and acceptance,

Customer

Pursuant to and for the purposes of Articles 1341 and 1342 of the Italian Civil Code. I state I have carefully read and specifically approve the following clauses of the Contract: 4.2 (*solve et repete*), 4.3, 4.4, 5.1, 5.2 (withdrawal), 6.3, 7.1, 7.2, 8.1, 9.3, 10.2, 12.1, 12.2, 13.2, 13.3, 13.4, 13.5 and 13.6 (forfeiture), 14.1 (force majeure) 16.2 (jurisdiction).

Date

Customer
