

Terms and Conditions of Purchase of Imerys Fused Minerals Domodossola S.p.A.

All the terms and conditions herein are to be all considered as essential parts of orders from Imerys Fused Minerals Domodossola S.p.A. (herein referred to as the “**Buyer**”) to a supplier of goods or services (herein referred to as the “**Supplier**”). The performance of the order by the Supplier implies the full acceptance by the Supplier of these general conditions of purchase. These general conditions are mandatory and replace any other contradictory clauses put forward by the Supplier. Exemptions must have been expressly accepted in writing by the Buyer. In the event that these conditions and other official documents provided by the Buyer contradict each other, the Buyer will determine on a case-by-case basis which provisions apply. Any clauses or conditions set out on letters, invoices and other documents from the Supplier that are not in agreement with these general conditions of purchase are not binding on the Buyer.

1. **ORDERS** - Only written orders are binding for the Buyer. Any change to orders, in which the Buyer takes on obligations, shall be in writing and with the signature of two authorized persons representing the Buyer. Every order shall be confirmed without delay. If the Buyer does not receive confirmation or other response within eight (8) days, the order shall be considered as accepted.
2. **DELIVERY TERMS** – The delivery terms indicated in the order are to be considered exact and fundamental. In case that they are not complied with, even with regard to a part of the order, the Buyer, at its choice, reserves the right to:
 - a) block the contract, charging the Supplier where not differently indicated in the order, a penalty of 0,50% of the value of the goods or services not delivered/provided, to be calculated for each week of delay, up to the extent of 5%; the right to seek indemnification for damages remain reserved;
 - b) cancel the entire order by simply notifying the Supplier. The Buyer is released from the order pursuant to the first paragraph of the Article 1517 of the Italian Civil Code;
 - c) purchase, elsewhere and at any time, the items of the supply, at the Suppliers own risk, and in any case allowing the Buyer the right for complete compensation for damages.
3. **DELIVERY OF THE GOODS** – The agreed dates of delivery are firm and mandatory (“time is of the essence”), and shall be adhered to. If the Supplier foresees a possible delay, written notice of this delay, including the reasons for and the expected duration of the delay shall be given immediately. The goods must always be delivered to the Buyer’s warehouse, even if the transport costs are at the Buyer’s charge. Risk connected to the goods shall be passed over to the Buyer solely upon receipt of the goods at the Buyer’s warehouse.

4. **PACKAGING AND FREIGHT** – The goods shall be appropriately packaged in accordance with industry standards. Where packaging costs are charged to the Buyer, they shall at most be charged at cost. Freight instructions given by the Buyer must be strictly adhered to. The Supplier shall be liable for damage occurring due to non-compliance. A notice of dispatch must be sent to the Buyer in all cases. Every delivery shall include a delivery notice (packing slip). If the delivery papers are missing, the delivery will be stored at the cost and risk of the Supplier until the papers have arrived.

Cash on delivery shipments will only be accepted upon express agreement.

5. **GOODS DELIVERED IN EXCESS OF ORDERED QUANTITY** – The Buyer is not responsible for the goods delivered in excess of the ordered quantity, even if the goods have already entered the Buyer's warehouses.

6. **INVOICING AND TERMS OF PAYMENT** – Invoices shall be exclusively sent to the following email address: fatture.passive@imerys.com after the goods/services have been delivered/rendered. The terms of payment are those exclusively indicated on the order. In no case shall bills of exchange or interest charges be accepted.

7. **INSPECTION OF THE GOODS** – Inspection of the condition and quality of the delivered goods is to be exclusively carried out by the Buyer's personnel in charge of inspecting incoming supply of goods. This personnel can inform the Supplier of any eventual defect found.

The Buyer is exempt from the consequences as per paragraph 1 of Article 1513 of the Italian Civil Code, if the Buyer has asked the competent legal authorities to verify the quality and the condition of the supplied goods according to the procedure indicated in Article 696 of the Italian Civil Procedural Code.

8. **NON-CONFORMITY OF GOODS AS AGREED** – If a claim is forwarded to the Supplier declaring that the goods delivered or services rendered present faults and/or defects, then the Buyer shall not be obliged to uphold the terms and conditions as specified in Art. 1495 and 1667 of the Italian Civil Code. The claim of such faults and/or defects – even if evident – after the goods have been supplied or services have been rendered with the declaration by the Supplier that the goods and/or services are free from any sort of faults/and or defects – may be made by the Buyer at any time following the receipt of the goods, even if the goods have already been put into use and even if the invoices for these goods have already been paid.

If the faults and/or defects are found by the Buyer's personnel in charge of inspecting incoming goods or services rendered, it is the Buyer's right to either: (i) refuse the entire supply, even if this includes further deliveries, and to therefore

cancel the order with the right to withhold goods previously or meanwhile delivered and found to be conforming to the order; or (ii) to ask for full replacement of goods and/or services found to be defective within a reasonable period to be defined by the Buyer, always maintaining the right to request payment of damages. The Buyer reserves the right to purchase the goods and/or services found to be defective elsewhere, as per paragraph c) of point 2.

9. **PAYMENTS AND NON-FULFILMENTS** – The verification of non-fulfilments by the Supplier gives the Buyer the right to withhold any payments due for previous supplies even if they are related to the order, as a guarantee of the consequences of the non-fulfilment. This can be done without obtaining preventive measures from the competent Italian legal authorities.

The Supplier must periodically send to the Buyer a full statement showing the due invoices.

10. **PRODUCTION OF GOODS ACCORDING TO DRAWINGS, SAMPLES AND SPECIFICATIONS** - The Supplier delivers its goods and/or performs its services entirely and solely under its responsibility and it warrants that the goods and/or Services provided:

- comply with the drawings, samples and specifications stipulated in the contract;
- are exempt from any visible defect and fully correspond to the use intended by the Buyer;
- have been delivered and/or performed according to professional standards;
- are exempt from any hidden defect.

All the Buyer's drawings, samples and specifications must not be copied or forwarded to third parties by the Supplier, and must not be used by the Supplier in any other way other than for the production of goods for the Buyer or supply of services. The production of goods or supply of services according to the Buyer's drawings, samples and specifications must be limited to the quantities to be delivered to the Buyer and the Supplier agrees to destroy any excess quantity. The Supplier acknowledges that it is illegal to manufacture, produce or sell goods or supply services according to the Buyer's drawings, samples and specifications with the exception of the supplies ordered by the Buyer whether for use in production, supply or as spare parts or accessories of any type, even if these goods are sold or services rendered with or without the Buyer's name, trademark or property designs.

11. **PRODUCTION OF PATENT GOODS** – By accepting the order, the Supplier fully guarantees the Buyer that the goods or services which will be supplied have not been and will not be manufactured or produced or supplied in violation of patents, registered trademarks or private licences, and guarantees the Buyer the freedom to use and distribute the said goods in Italy and abroad. The Supplier will hold harmless and defend the Buyer against any claim or action for infringement of

intellectual or industrial property rights belonging to a third party. The Supplier agrees to pay all the costs incurred by the Buyer for its defence against any such claim or action, including lawyer's fees, and to compensate the Buyer for any damage or loss suffered by the Buyer resulting directly or indirectly from such claim or action.

12. FORCE MAJEURE – If the planned processing of ordered goods in Buyer's plant is not possible due to unforeseeable circumstance (force majeure), the Buyer reserves the right to withdraw from the contract. In such event, the Buyer will notify the Supplier immediately upon the occurrence of the event.

13. INSURANCE – The Supplier must take out and maintain in a state of validity throughout the term of the services, at its expense, the insurance policies required to cover its risks and liabilities under the contract and taking account of its environment. In the event that this formality is not carried out, the Supplier will bear all the financial consequences of this breach. On the Buyer's request, the Supplier will provide proof of the insurance policies taken out before commencement of the performance of the contract. This clause does not form a limitation of the Supplier's liability.

14. CONFIDENTIALITY - Except with the Buyer's prior and written agreement, the Supplier agrees to consider as confidential and to treat as such any information or data of a technical, financial, legal, commercial or other nature, disclosed by the Buyer to the Supplier, in writing or verbally or to which the Supplier has access to visually, as part of the performance of the contract.

15. COMPLIANCE WITH LAWS – The Supplier must comply with the laws and regulations in force in its country of origin and in the country of destination of the Goods and Services. The Supplier declares that it has the permits, licenses, rights, approvals, and authorisations required for performance of the contract. In the event that the equipment, materials, installations or work that are the object of the performance of the contract must be amended or changed, due to a change in the regulations or the law, or on request of an authority in charge, these changes will be the responsibility of the Supplier, who is committed to implementing them. When the Services are performed on-site or inside the Buyer's premises, the Supplier must also comply with the legal and regulatory directives protecting the health and safety of persons and premises, internal rules and usual practices and in-house regulations.

The Supplier acknowledges that it is aware of these legal and regulatory provisions and will ensure that its personnel will comply with them.

The Supplier pledges to adhere to the minimum labour standards set by the ILO and to oblige their own suppliers to adhere to these minimum standards by particular contractual stipulations. The Supplier in particular pledges not to employ children. The Supplier shall ensure that their own suppliers shall also not employ children. Any person under the age of fifteen years of age shall be deemed a child. Children are allowed to be employed as an exception at the age of fourteen years of age, if the country of production allows persons to work from the age of fourteen years onwards per law.

16. APPLICABLE LAW AND JURISDICTION - The contract between the Seller and the Buyer, and these general conditions of purchase will be governed exclusively by Italian law. The provisions of the Vienna Convention on international contracts for the sale of goods being excluded. By express agreement, any dispute relating to the performance or interpretation of the contract and/or these general conditions will be, failing amicable agreement, settled by the Courts of Verbania, Italy. However, the Buyer reserves the right to bring a claim to any other court of competent jurisdiction.

This English translation is only for ease of reference. Only the Italian language version shall be binding and govern the relationship of the parties.