



www.consulting3000.com  
info@consulting3000.com

MILANO - ITALY  
via Monti 8  
20123  
Tel . +39 (0)2 87167377  
Fax +39 (0)2 70047188

PADOVA - ITALY  
via Foscolo 18  
35131  
Tel . +39 (0)49 8364364  
Fax +39 (0)49 8364364

Consultants & Lawyers in Italy

## SUPPLY AGREEMENT

This Agreement, made by and between

YYYY, a corporation duly organized under the laws of the State of ..... and having its principal place of business at ....., represented by its legal representative Mr ..... (hereinafter referred as "SUPPLIER"),

and

XXXX, a corporation duly organized under the laws of ..... and having its principal place of business at ....., represented by its legal representative Mr ..... (hereinafter referred as "BUYER"),

witnesses

whereas, BUYER has the requisite expertise and solvency to buy the Product (as hereinafter defined);

whereas, SUPPLIER, is a corporation leader in producing and marketing coatings and HPR resins desires to sell the Product to the BUYER on the terms and conditions hereinafter set forth.

Now, therefore, in consideration of the mutual premises and covenants hereinafter set forth, the parties agree as follows:

### SECTION 1 DEFINITIONS

For purposes of this Agreement, the following words, terms and phrases, shall have the meanings assigned to them in this SECTION 1 unless the context otherwise requires:

a) Product shall mean the products specified in Exhibit I produced and marketed by the SUPPLIER; Product includes brochures, catalogues, and other marketing materials bearing the Trademark.

b) Trademark shall mean the trademark owned by SUPPLIER described in Exhibit II hereto and shall be referred to as the "Trademark".

### SECTION 2 OBJECT

The SUPPLIER accepts to sell the Product to BUYER and BUYER accepts to buy the Products from SUPPLIER according to the mentioned terms, duration, limitations and ways approved by the parties hereinafter indicated.



www.consulting3000.com

info@consulting3000.com

MILANO - ITALY

via Monti 8

20123

Tel . +39 (0)2 87167377

Fax +39 (0)2 70047188

PADOVA - ITALY

via Foscolo 18

35131

Tel . +39 (0)49 8364364

Fax +39 (0)49 8364364

Consultants & Lawyers in Italy

### SECTION 3 GENERAL OBLIGATIONS OF BUYER

BUYER shall have the following obligations with respect to the purchase of SUPPLIER's Product:

- a) to pay the SUPPLIER the price for every single confirmed purchase order of the Product;
- b) to pay the agreed minimum sales amount of price of Product not later than the final time (as stated on Section 6);
- c) to get proper license and/or authorizations from the competent entity in Poland in order to hold the Product in consignment stock regime;
- d) to preserve the Product under consignment stock regime in suitable warehouse and keeping;
- e) to not cancel or remove the Trademark or other distinguishing signs placed upon the Product;
- f) to timely inform SUPPLIER before the signing of this Agreement of any change in the applicable provisions of law of the country of importation with which the Product must comply;
- g) to not assign without the prior written approval of SUPPLIER the rights or obligations of this Agreement including to its associated or subsidiary companies;
- h) to not delay the payments, the shipment or the receipt of the Product;
- i) BUYER shall maintain an adequate selection and stock of the Product as is necessary to guarantee requests for replacement under warranty, as determined jointly with SUPPLIER; BUYER agrees to rotate stocks of the Product so as to ensure that such stocks are held at maximum shelf life as described in each label, BUYER is aware that shelf life of Products are various;  
Each amount of Product shipped by SUPPLIER to BUYER and then stored in consignment stock regime at BUYER warehouse shall have to be purchased by BUYER at least within 2 months (see Section 5.7.);
- j) SUPPLIER further agrees to ensure that its stocks of the Product are handled and stored at all times in accordance with such requirements as SUPPLIER may specify from time to time.
- k) SUPPLIER shall be entitled from time to time during working hours to inspect BUYER's premises with a view to ensuring compliance with the provisions of this clause.



www.consulting3000.com  
info@consulting3000.com

MILANO - ITALY  
via Monti 8  
20123  
Tel . +39 (0)2 87167377  
Fax +39 (0)2 70047188

PADOVA - ITALY  
via Foscolo 18  
35131  
Tel . +39 (0)49 8364364  
Fax +39 (0)49 8364364

Consultants & Lawyers in Italy

## SECTION 4

### GENERAL OBLIGATIONS OF SUPPLIER

4.1. Co-operation. SUPPLIER undertakes to co-operate with the BUYER for the delivery of the Products; SUPPLIER shall provide all necessary documents for delivery of Product to BUYER. In any case SUPPLIER will not assume responsibility other than those set forth in the present Agreement.

4.2. Supply. The SUPPLIER shall supply Product to BUYER providing adequate assistance and necessary catalogues and advertising materials.

4.3. New products. If while this Agreement is in force SUPPLIER should introduce new products bearing the Trademark into its range, such products shall automatically be covered by this Agreement, provided they are similar to Products. If such new products should not be similar to Product BUYER shall have the right to refuse purchase such products.

4.4. Quality standard. The quality of consigned Product shall correspond to agreed standard and to technical conditions adopted by SUPPLIER.

## SECTION 5

### MINIMUM SALES, PURCHASE ORDER, CONFIRMATION OF PURCHASE ORDER, CONSIGNMENT STOCK, EFFECTIVE DATE

5.1. Minimum sales. The total yearly minimum sales amount of Products to be purchased by BUYER shall be of Kg ..... (..... kilograms), whose:

- a) 50% of the said amount of Products shall be stored at BUYER's warehouse and purchased and ruled under this Supply Agreement with consignment stock regime and
- b) 50% of the said amount of Products shall be purchased by direct purchases of Products from SUPPLIER premises, such purchases shall not be ruled by this Supply Agreement with consignment stock regime;

in any case, or under case a) or under case b), all the Products shall be paid not later than 60 days from the invoice date.

In any case, the maximum amount of Products stored in consignment stock regime at BUYER's warehouse shall not be more than Kg.....

5.2. Price. The prices of Product are in Euro, they are appointed at Exhibit I and include standard packing and labeling in accordance with SUPPLIER's standard commercial export practices in effect at the time of shipment.

5.3. Price Increases. SUPPLIER may, at any time during the term of this Agreement, increase the prices of the Product by providing BUYER with at least 30 days prior written notice. Increased prices for all Products shall not apply to purchase orders accepted.

5.4. Purchase order. BUYER shall previously send SUPPLIER by fax the purchase order for every single collection of amount of the Product, stored in his warehouse in consignment stock regime.



www.consulting3000.com

info@consulting3000.com

MILANO - ITALY

via Monti 8

20123

Tel . +39 (0)2 87167377

Fax +39 (0)2 70047188

PADOVA - ITALY

via Foscolo 18

35131

Tel . +39 (0)49 8364364

Fax +39 (0)49 8364364

Consultants & Lawyers in Italy

5.5. Confirmation of purchase order. SUPPLIER shall send by fax, within 3 (three) working days after the receipt of the purchase order the confirmation of the acceptance of the purchase order jointly with the release of proper invoice concerning the purchase order.

In case SUPPLIER shall not accept the purchase order of the BUYER it shall inform BUYER about it by fax within 3 (three) working days after the receipt of the purchase order.

5.6. Cancellation of purchase order. BUYER could terminate its purchase order if it shall not accept SUPPLIER's conditions contained in its confirmation of purchase order.

BUYER shall communicate the said cancellation of purchase order by fax within 3 (three) working days after the receipt of the confirmation of the purchase order.

5.7. Consignment stock regime of Product. SUPPLIER shall consign Product to BUYER who shall keep and store it in his suitable warehouse.

BUYER shall keep Products inside its own warehouse, the Product shall be properly kept separated from the products of BUYER in compliance with Polish laws.

Under the consignment regime the parties agree that stock of Product consigned to BUYER shall remain the property of SUPPLIER until the BUYER buys it.

BUYER shall get proper license and/or authorizations from the competent entity in Poland in order to hold the Product in consignment stock regime.

BUYER shall keep proper account books concerning the Product stored in his warehouse in consignment stock regime and about each purchase collection of part of it.

Each amount of Product shipped by SUPPLIER to BUYER and then stored in consignment stock regime at BUYER warehouse shall have to be purchased by BUYER at least within 2 months.

5.8. Effective date. The effective date of every single purchase order shall be the date of the invoice.

## **SECTION 6 PAYMENT**

As specified on Section 5.4. for every single purchase order BUYER shall pay within 60 days since the end of the month of the date of the issuance of the invoice by bank transfer to bank appointed by the SUPPLIER, the price of the concerning purchase order.

All payments hereunder shall be made in Euro.

## **SECTION 7 DELIVERY**

7.1. Delivery terms. The parties hereby agree the delivery term is Ex Works (EXW) under INCOTERMS 2010 of International Chamber of Commerce (ICC) of Paris.

7.2. Time of delivery. The Product shall be delivered into the maximum term of 15 working days from the receipt of the pro-forma invoice accepted from BUYER.

7.3. Delivery date. The delivery date of Product is the date of receipt of Product by carrier at SUPPLIER warehouse.

BUYER shall inform SUPPLIER about the date of arrival of carrier at SUPPLIER warehouse.



www.consulting3000.com

info@consulting3000.com

MILANO - ITALY

via Monti 8

20123

Tel . +39 (0)2 87167377

Fax +39 (0)2 70047188

PADOVA - ITALY

via Foscolo 18

35131

Tel . +39 (0)49 8364364

Fax +39 (0)49 8364364

Consultants & Lawyers in Italy

7.4. Other costs. All other costs eventually concerning stocks of Product at shipping agent warehouse and other costs due to loss of pick-up of Products shall be borne by the BUYER.

## **SECTION 8 DOCUMENTS**

8.1. Sales documents. The SUPPLIER shall provide all documents needed for the sale of Product to BUYER.

8.2. Product ready. When Product is ready for delivery, SUPPLIER shall notify it to BUYER jointly with information on number of parcels, volume and weight of the shipment.

8.3. Documents and duties. The BUYER shall get all documents needed for purchase of Product and bear all costs of VAT (see section 10).

## **SECTION 9 PROPERTY**

The Product, will remain on property of SUPPLIER until the entire price of the Product has been paid.

The risk in the Product shall pass to the BUYER since the Product are delivered.

The Product under consignment stock regime is intended as property of SUPPLIER until the Product shall be, time by time, collected and paid by BUYER as per each proper confirmed purchase order.

## **SECTION 10 AUTHORIZATIONS**

BUYER shall obtain from the relevant authorities in the country of importation and/or to maintain in force, as appropriate, all health registrations and other licenses which are necessary to enable the Product to be purchased by BUYER within the country of importation.

Expenditure incurred by BUYER in obtaining and maintaining in force the said authorizations will be for BUYER account.

BUYER shall get proper license and/or authorizations from the competent entity in Poland in order to hold the Product in consignment stock regime.

## **SECTION 11 TERM AND TERMINATION**

11.1. Term. This Agreement shall take effect from the effective date of signature of the contract and shall continue in force until each of the parties shall notify, at least 6 (six) months in advance, to the other party its will to terminate this Agreement with registered letter with receipt.



www.consulting3000.com

info@consulting3000.com

MILANO - ITALY

via Monti 8

20123

Tel. +39 (0)2 87167377

Fax +39 (0)2 70047188

PADOVA - ITALY

via Foscolo 18

35131

Tel. +39 (0)49 8364364

Fax +39 (0)49 8364364

Consultants & Lawyers in Italy

11.2. Pending payments. In the event of termination of this Agreement it shall not release either party from the obligation to make payment of all amounts then or thereafter due and payable.

11.3. Termination by SUPPLIER. SUPPLIER may terminate this Agreement by giving prior written notice of ninety (90) days, if during the term of first 6 (six) month, since the Agreement is in force, BUYER shall have failed to meet at least 50% (fifty percent) of the minimum sales target. SUPPLIER may terminate this Agreement in the event that BUYER either does not regularly pays after confirmation of purchase order or is in a frequent delay in the payments or in any other case BUYER does not work for SUPPLIER's benefit.

11.4. Termination by either parties. Either party hereto may terminate this Agreement at any time by giving notice in writing to the other party:

- a) in the event of bankruptcy, insolvency, liquidation of the other party, or, in case, the other party make an assignment for the benefit of creditors or otherwise lose legal control of its business or, should the other party or a substantial part of its business, come under the control of a third party;
- b) should an event of Force Majeure continue for more than 3 (three) months as provided in section 14;
- c) in the event the other party is in material breach of this Agreement and shall have failed to cure such breach within thirty (30) days of receipt of written notice thereof from the first party.

## **SECTION 12 WARRANTY**

12.1. Acceptance of Product. In the event of any shortage, damage or discrepancy of Product, BUYER shall promptly report the same to SUPPLIER and furnish such written evidence or other documentation as SUPPLIER may deem appropriate.

SUPPLIER shall not be liable for any such shortage, damage or discrepancy, unless SUPPLIER has received notice and substantiating evidence thereof from BUYER within 30 days of arrival of the Products at BUYER's premises.

If the substantiating evidence delivered by BUYER demonstrates to SUPPLIER's satisfaction that SUPPLIER is responsible for such shortage, damage or discrepancy, SUPPLIER shall promptly deliver additional or substitute Product or spare parts to BUYER in accordance with the delivery procedures set forth herein; provided that in no event shall SUPPLIER be liable for any additional costs, expenses or damages incurred by BUYER directly or indirectly as a result of such shortage, damage or discrepancy.

12.2. Product Warranty. SUPPLIER warrants for a period of twelve 12 months after the date of delivery that the Product shall be free from defects in material and workmanship.

SUPPLIER may benefit of an additional term of 60 (sixty) to denounce the defects of Product to SUPPLIER since the moment of the discovery of them.

SUPPLIER's sole obligation in the event of a breach of such warranty and recognized by SUPPLIER, (after checking defects on the returned Product), shall be to provide at no charge to





www.consulting3000.com

info@consulting3000.com

MILANO - ITALY

via Monti 8

20123

Tel . +39 (0)2 87167377

Fax +39 (0)2 70047188

PADOVA - ITALY

via Foscolo 18

35131

Tel . +39 (0)49 8364364

Fax +39 (0)49 8364364

Consultants & Lawyers in Italy

BUYER replacement parts for all defective Product.

All costs of shipment of the replacement Product to BUYER shall be borne by SUPPLIER.

BUYER shall ship back to the SUPPLIER, at his expenses, the defected Product for being checked and all such replaced parts shall become the property of SUPPLIER upon their replacement.

Warranty claims hereunder must be made promptly and in writing, they shall contain and declare the nature and details of the claim, the date and the cause of the claim.

12.3. Excluded Claims. Supplier shall have no obligation in the event that:

a) replacement of Product shall have been required through normal wear and tear or necessitated in whole or in part by force majeure as defined in Section 14 or by the fault or negligence of BUYER or its customers; or

b) the Product have not been properly used or maintained in accordance with SUPPLIER's then applicable operating and/or maintenance manuals, whether by BUYER or its customers, or shall have been modified in any manner without prior written consent of SUPPLIER or they have not been enough protected in the shipment by the carrier.

12.4. Limited Warranty. The warranties set forth in this Section are intended solely for the benefit of SUPPLIER.

All claims hereunder shall be made by BUYER and may not be made by any eventual BUYER's customers.

The warranties set forth above are in lieu of all other warranties, express or implied, which are hereby disclaimed and excluded by SUPPLIER, including without limitation any warranty of merchantability or fitness for a particular purpose or use and all obligations or liabilities on the part of SUPPLIER for damages arising out of or in connection with the use, repair of performance of the Product.

It is expressly agreed that the warranties set forth in this Section are excluded if the entire price of the Product has not been paid.

## **SECTION 13 TRADEMARK**

13.1. Markings. BUYER shall not, without the prior written consent of SUPPLIER, remove or alter any Trademark, patent numbers, trade names, trademarks, notices, serial numbers, labels, tags or other identifying marks, symbols or legends affixed to any Product.

BUYER shall not adopt, use or register any words, phrases or symbols which are identical to or confusingly similar to any of SUPPLIER's Trademark without written consent of SUPPLIER.

BUYER acknowledges SUPPLIER's proprietary rights in and to the SUPPLIER Trademark and any trade names regularly applied by SUPPLIER to the Product, and BUYER hereby waives in favor of SUPPLIER all rights to any trademarks, trade-names and logotypes now or hereinafter originated by SUPPLIER.

13.2. Infringements. BUYER shall promptly notify SUPPLIER of any use by any third party of SUPPLIER's Trademark or any use by such third parties of similar marks which may constitute an infringement or passing off of SUPPLIER's Trademark.

SUPPLIER reserves the right in its sole discretion to institute any proceedings against such third



www.consulting3000.com

info@consulting3000.com

MILANO - ITALY

via Monti 8

20123

Tel . +39 (0)2 87167377

Fax +39 (0)2 70047188

PADOVA - ITALY

via Foscolo 18

35131

Tel . +39 (0)49 8364364

Fax +39 (0)49 8364364

Consultants & Lawyers in Italy

party infringers and BUYER shall refrain from doing so.

BUYER agrees to cooperate fully with SUPPLIER in any action taken by SUPPLIER against such third parties, provided that all expenses of such action shall be borne by SUPPLIER and all damages which may be awarded or agreed upon in settlement of such action shall accrue to SUPPLIER.

## SECTION 14 FORCE MAJEURE

14.1. Definition. Force Majeure shall mean any event or condition, not existing as of the date of signature of this Agreement, not reasonably foreseeable as of such date and not reasonably within the control of either party, which prevents in whole or in material part the performance by one of the parties of its obligations hereunder or which renders the performance of such obligations so difficult or costly as to make such performance commercially unreasonable.

Without limiting the foregoing, the following shall constitute events or conditions of Force Majeure: slowdowns, prolonged shortage of energy supplies, epidemics, fire, flood, hurricane, typhoon, earthquake, lightning and explosion.

It is in particular expressly agreed that any refusal of failure of any governmental authority to grant any export license legally required for the fulfillment by BUYER of its obligations hereunder shall constitute an event of Force Majeure.

14.2. Notice. Upon giving notice to the other party, a party affected by an event of Force Majeure shall be released without any liability on its part from the performance of its obligations under this Agreement, except for the obligation to pay any amounts due and owing hereunder, but only to the extent and only for the period that its performance of such obligations is prevented by the event of Force Majeure.

Such notice shall include a description of the nature of the event of Force Majeure, and its cause and possible consequences.

The party claiming Force Majeure shall promptly notify the other party of the termination of such event.

14.3. Confirmation. The party invoking Force Majeure shall provide to the other party confirmation of the existence of the circumstances constituting Force Majeure.

Such evidence may consist of a statement or certificate of an appropriate governmental department (such as local Chamber of Commerce) or agency where available, or a statement describing in detail the facts claimed to constitute Force Majeure.

14.4. Suspension of Performance. During the period that the performance by one of the parties of its obligations under this Agreement has been suspended by reason of an event of Force Majeure, the other party may likewise suspend the performance of all or part of its obligations hereunder to the extent that such suspension is commercially reasonable.

In such a case SUPPLIER shall return to the BUYER every advanced payment received, without any penalty, within 30 days from the request of BUYER.

14.5. Termination. Should the period of Force Majeure continue for more than 3 (three) consecutive months, either party may terminate this Agreement without liability to the other party, except for payments due to such date, upon giving written notice to the other party.





www.consulting3000.com  
info@consulting3000.com

MILANO - ITALY  
via Monti 8  
20123  
Tel . +39 (0)2 87167377  
Fax +39 (0)2 70047188

PADOVA - ITALY  
via Foscolo 18  
35131  
Tel . +39 (0)49 8364364  
Fax +39 (0)49 8364364

Consultants & Lawyers in Italy

## SECTION 15 COMPETENT JURISDICTION AND GOVERNING LAW

15.1. Competent Jurisdiction. Any dispute, controversy or claim arising out of or relating to this Agreement shall be finally settled by the competent court of .....

15.2. Governing Law. This Agreement shall be governed by, and interpreted and construed in accordance with ..... law and the U.N. Convention of Vienna 1980 on the international sale of goods.

## SECTION 16 MISCELLANEOUS

16.1. Publicity. This Agreement is confidential and no party shall issue press releases or engage in other types of publicity of any nature dealing with the commercial and legal details of this Agreement without the other party's prior written approval, which approval shall not be unreasonably withheld.

However, approval of such disclosure shall be deemed to be given to the extent such disclosure is required to comply with governmental rules, regulations or other governmental requirements. In such event, the publishing party shall furnish a copy of such disclosure to the other party.

16.2. Previous Agreement by the Parties. This Agreement abrogates and replaces every other written or verbal Agreement reached between the parties.

16.3. Written emendation. Any amendment to this Agreement must be made in writing.

16.4. Counterparts. This Agreement shall be executed in two or more counterparts in the English language and each such counterpart shall be deemed an original hereof including the Exhibits I and II as incorporated integral parts of the same.

16.5. Severability. In the event that any of the clauses or terms of this Agreement are in conflict with any rule of law or statutory provision or are otherwise unenforceable under the laws or regulations of any government or subdivision thereof, as determined by mutual agreement of the parties or by a court of competent jurisdiction.

Such provision shall be deemed stricken from this Agreement, but such invalidity or non-enforceability shall not invalidate any of the other terms of this Agreement and this Agreement shall continue in force, unless the invalidity or non-enforceability of any such provisions hereof compels one of the Parties to accept unjustified conditions.

On the basis of the statement that a clause or a terms is invalid or illegal or unenforceable, the Parties will negotiate in good faith and modify this Agreement, to achieve the original purpose of the Parties.

16.6. Effectiveness. For validation of this Agreement is necessary the signature of both parties and the stamp of each of them.



www.consulting3000.com

info@consulting3000.com

MILANO - ITALY  
via Monti 8  
20123  
Tel . +39 (0)2 87167377  
Fax +39 (0)2 70047188

PADOVA - ITALY  
via Foscolo 18  
35131  
Tel . +39 (0)49 8364364  
Fax +39 (0)49 8364364

Consultants & Lawyers in Italy

16.7. Language. This Agreement is written in English language, each party keeps one of the two originals signed Agreement.

16.8. Notification. Every notice of one party shall be sent to the other party in written form by registered letter or by fax to the addresses appointed in this Agreement.

In Witness whereof, the parties and the authorized representatives have caused this Agreement to be executed on the date first above written.

**Place and Date:** .....

**SUPPLIER, YYYY**  
**In person of its legal representative**

.....

**BUYER, XXXXX**  
**In person of its legal representative**

.....

EXHIBIT I

Product

EXHIBIT II

Trademark