

DISTRIBUTION CONTRACT

This Distribution Contract is made the _____ day of _____ by and between:

_____, an Italian joint stock company whose principal place of business is at _____ (hereinafter referred to as "the Supplier")

and

_____, a private limited liability company, whose principal place of business is at _____ (hereinafter referred to as "the Distributor").

whereas

- the Supplier is a manufacturing industry of jewelry which produces and sells products under the trademark _____ or/and purchases and sells products under the trademark _____ ; (scegliere le opzioni che interessano)
- the Supplier is interested in developing a distribution network for the sale of its jewelry products in _____ and, for this purpose, wish to exploit the Distributor's commercial network;
- the Distributor has an adequate structure and a suitable organization for the distribution and sale of the products of the Supplier, as well as the necessary experience, skill and resources;
- the Distributor is interested in distributing and selling the aforementioned jewelry.

Now therefore the Parties agree as follows:

PART ONE: SUBJECT

Article 1 – Recitals and Annexes

1.1 The recitals and the Annexes are an integral and substantial part of this agreement (hereinafter "Contract").

Article 2 - Definitions

2.1 In this contract the following words and expressions shall have the meaning hereinafter set forth:

- a) "Parties" means the Supplier and the Distributor
- b) "Territory" means _____¹;

¹ The indication of the territory should be made in the most detailed manner possible (also enclosing a map if possible). It is possible to foresee that the territory is not the same for all the products of the Contract.

- c) "Products" means the products sold by the Supplier that are listed and described in the Annex A and with the trademark _____;
- d) "Standard products" means _____ and "non standard products" means _____
- e) "Trademark" means the Supplier's trademark shown in Annex B which set forth the current use of its use and reproduction.

Article 3 – Object

3.1 The Supplier hereby appoints the Distributor as exclusive/sole/non exclusive Distributor(cancellare l'opzione che non interessa) of the Products in the Territory and the Distributor hereby accepts such appointment subject to the terms and conditions of this Contract.

3.2 During the validity of this Contract the Supplier shall supply Products to the Distributor on a continuous basis and the Distributor shall purchase Products from the Supplier.

3.3 Furthermore, because of the changes in the technological and economical conditions and/or in the volumes of the purchased goods, the Parties reserve the right to renegotiate the conditions of this Contract providing additional written clauses oriented to:

- a) limit or extent the categories of Products subject of this Contract;
- b) amend the characteristics of the Products or the extension of the Territory;
- c) apply divisions and/or exclusions with regard to a different and more rational distribution program.

Article 4 - Territory

4.1 The Distributor shall distribute and sell the Products of the Supplier in the Territory as described in art. 2.1 lett. a).

4.2 The Supplier reserves the right to make changes in the territorial sphere of competence of the Distributor by reason of a different and more rational distribution program (while the Distributor retains the obligation to purchase the minimum quantities as per art. 8), by giving a three months written notice to the Distributor and in this case the Distributor has the right to withdraw from the Contract. The Distributor retains the right, in the latter case, to use the Supplier's trademark until it has terminated the stocks purchased, on the basis of an inventory that will be prepared by the Parties jointly.

* * *

PART TWO: OBLIGATIONS OF THE PARTIES

Article 5 –Distributor's obligations

5.1 The Distributor agrees to promote the sale and perform the distribution of the Products of the Supplier in the Territory in accordance with the instructions that will be communicated from time to time by the Supplier.

5.2 The Distributor declares that it disposes of and will maintain an efficient organization of means and personnel and an adequate structures to ensure a full and complete discharge of the Contract obligations on a totally independent basis from the Manufacturer.

5.3 The Distributor agrees to:

- a) order the Products in the ways and at the terms foreseen by art. 7, in full respect of the minimum quantities foreseen in art. 8;
- b) respect the payment terms for supplies as stipulated in art. 9.2;
- c) use the trademarks of the Products as specified in art. 15;
- d) purchase the Products only and exclusively from the Supplier and not distribute, handle or sell, in the same territory and in competition with those of the Supplier, other products that by their nature, quality, origin or price can generate confusion on the market and/or mislead the clients about their origin²;
- e) comply with the obligations of information foreseen by art. 12;
- f) respect the obligation of non competition established in art. 13;
- g) comply with the obligations foreseen by art. 14, 15, 16 and 19;
- h) not display or advertise products for which it is not the distributor;
- i) not use the trademarks to advertise other companies' products, either through placement in the show window or through any other form of advertising.

Article 6 –Supplier's obligations

6.1 For the duration of this Contract, the Supplier agrees to:

- a) make the best efforts to satisfy the requests of supply of the Products submitted by the Distributor;
- b) make deliveries of the Products in the manner and according to the terms of art. 10;
- c) provide the Distributor with all the informative material and advertising material – such as catalogues, brochures, leaflets, price lists – necessary for the promotion of sales;
- d) inform the Distributor of possible changes in the assortment and price of the Products, _____ days in advance and, in particular, provide updated catalogues;
- e) provide the Distributor, with any technical and economic information concerning the Products and necessary to the Distributor to fulfill its Contract obligations;
- f) guarantee that the Products supplied possess the technical and qualitative requisites indicated in the catalogues presented at the time of purchase, and/or in the technical sheets.
- g) not distribute via internet in the Territory, the Products that are the object of this Contract.

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PART THREE: TIME AND MODE OF FULFILLMENT

Article 7 – Orders and prices

7.1 At every request of supply made by the Distributor, the Supplier shall transmit its order confirmation as foreseen in art. 25.

For standard Products, the price is based on the general price lists or those for the individual client, as indicated more in detail in art. 9.1, and for non-standard Products the price is

² This type of clause is justified by the need to prevent the Distributor from competing with the Supplier with practically identical products at a lower price. The advisability of maintaining such a clause, with strongly binding content for the Distributor, can be evaluated case by case by the Parties, at the time of preparing the Contract.

indicated case by case by the Supplier to the Distributor with which it will establish the amount every time.

7.2 The price covers the entire production of the Products, labor costs and shipment, materials and anything else inherent or accessory to production, including packaging, unless expressly stipulated otherwise in this Contract.

Art. 8 – Minimum quantities

8.1 The Distributor agrees to purchase, over a period of _____ months, a quantity of Products for an amount of not less than _____ or other amount that the Parties shall specify in writing year by year³.

8.2 In case of failed agreement on the annual target, the yearly minimum purchase amount will be determined on the base of the first period, increased of _____ % for every year of duration of the relationship.

Article 9 – Condition of purchase and resale

9.1 The sale of the Products to the Distributor is governed, except in case of specific agreements made from time to time between the Parties, by this Contract.

The price of the Products is

- for standard Products: a) the price indicated in the official price list in force at the time of the order⁴; b) the price of the gold quoted at the time of the order, plus the manufacturing cost; c) the price of the gold quoted at the time of delivery, plus the manufacturing cost (cases a), b) and c) are alternative and one must be chosen)
- for non-standard Products, the price is decided in accordance with art. 7.1 above.

For the cases outlined above in item b), the Supplier agrees to give the Distributor prompt notice of any variations in prices depending on variations in the costs of the raw materials, in excess of _____ %.

9.2 The Distributor shall made the payments for the supplies ordered as follows:

- a) a down payment of _____ % of the entire amount of the order to be paid within _____ days from receipt of the order confirmation;
- b) the balance _____ % of the entire amount of the order to be paid within 30/60 days from the end of the month in which the invoice is dated;

Payments shall be made by bank transfer to IBAN no. _____
in _____ currency (or specify alternative payment method)

On expiration of the payment term, the Supplier may charge interest in the measure made by D. Lgs. n. 231/2002 without the need to place the Distributor in default.

9.3 All expenses of any kind and nature incurred for distribution and sale, including those relative to advertising the Products, remain for the exclusive account of the Distributor, as part of the cost of its business, unless agreed otherwise in writing between the Parties.

³ A different frequency can be stipulated.

⁴ Any discount granted must be agreed between the Parties.

9.4 Without prejudice to the freedom of the Supplier to recommend selling prices to the public through the distribution of price lists, the Distributor is entirely free of any bonds as regards determination of the selling price of the Products. In any case the Distributor's price policy must not be one that endangers the market and image of the Supplier 's trademark.

Article 10 – Delivery of the Products

10.1 The Supplier shall deliver the Products within the term of _____ days of receipt of the order request⁵. The term shall be indicated in the order confirmation sent to the Distributor, as outlined in art. 7.1.

10.2 Delivery shall be made _____ (Incoterms 2000) at _____ in _____ address _____ city _____ during the following hours _____ or to the different address specified in the order confirmation. The Supplier shall notify the Distributor of the day and time of delivery to the forwarder.

10.3 In case of delay in delivery not due to circumstances of force majeure, the Distributor retains the right to demand payment of a penalty solely for the delay, amounting to ____ % (____ percent) of the value of the order, for every day of delay up to a maximum of _____ working days, save the right to avail itself of the express termination clause in art. 21 and reimbursement of the greater damages incurred. The penalty shall be paid by compensation of the amounts due for the balance (trattasi di una clausola facoltativa e impegnativa per il fornitore).

10.4 The Distributor shall inspect the goods within _____ days of delivery and within the same term must express, in order to avoid the decay, any claims and disagreements to submit the Supplier within _____ days of receipt of the Products.

Article 11 – Juridical independence of the Distributor

11.1 The Distributor shall operate as an independent dealer, in full and complete autonomy availing itself of its own technical and technological knowledge without any bonds of subordination, purchasing and reselling the products of the Supplier.

11.2 It shall act in its own name and on its own account and shall have no power to commit the Supplier toward third Parties. The Distributor may not stipulate advertising Contracts or sponsorships using the Supplier 's trademark without his authorization.

Article 12 – Information obligations

12.1 The Distributor agrees to inform the Supplier about:

- a) all information and news relative to the market and performance of sales and any other initiative promoted in the Territory affecting the distribution and sale of the Products;
- b) all information on laws and regulations in force in the Territory relative to the Products and to the Supplier 's activity, if relevant for the Supplier;
- c) all information about any possible event or action that could damage the Supplier, or any act of counterfeit and/or of unfair competition of which it learns;
- d) any serious impediment that does not permit correct performance of the business, providing the information necessary for the best pursuit of the activity.

⁵ Indicate any term agreeable between the Parties.

Article 13 – Non-competition clause

13.1 The Distributor agrees not to distribute or manufacture, for the duration of the Contract, without the prior written consent of the Supplier, products that by their nature, quality, origin or price can generate confusion with the Products on the market and/or deceive about their origin; the Distributor also agrees not to perform, directly or indirectly, any activity in competition with the Supplier. Account has been taken of this obligation in the calculation of the prices to apply to the Distributor, so that it can benefit, also indirectly.

13.2 Notwithstanding the right to judicial safeguard of its rights of intellectual property, if, on inspection, the Supplier should find that the Distributor violates the preceding agreement manufacturing / distributing / selling products that counterfeit the Products that are subject of this Contract, and if a dispute should arise over this point, the Parties may refer the matter to the ASSICOR jury of gold jewelry design in order to settle the controversy amicably and reach an agreement satisfactory to both Parties.

13.3 The Distributor agrees to communicate to the Supplier:

- the stipulation with third Parties of Contracts for the distribution of products that, for their quality, characteristics or price could reduce the value of the Supplier 's Products;
- the stipulation with third Parties of Contracts of supply, not on an occasional basis. In such cases the Supplier may withdraw from this Contract without prior notice, communicating it in writing to the other Party by registered letter with return receipt.

Article 14 – Company and trade secrets

14.1 The Distributor agrees to:

- a) not to reveal to third Parties, even after termination of this Contract, company or trade secrets of the Supplier or other confidential information that may come into its possession through the activity of distribution of the latter's Products;
- b) not to use such secrets or confidential information for purposes outside this Contract;
- c) to guarantee the safeguard of the manufacturer's know-how, pursuant to art. 98 of the Italian industrial property code (Legislative Decree no. 30/2005), knowledge of which should come into its possession by any means, even via the internet, while the Contract is in force.

The Distributor agrees to comply with this art. 14, also for its employees, cooperators and other third Parties, pursuant to art. 1381 c.c.

Article 15 – Intellectual property

15.1 The Supplier maintains intellectual and industrial property rights over projects, processes, drawings, models and any other information communicated to the Distributor for the purpose of the performance of this Contract.

15.2 The Distributor is permitted to use the Supplier 's trademark for the sole and exclusive purpose of identifying and advertising the Products that are subject of this Contract and in the exclusive interests of the Supplier. The Products to be distributed may be marked, in addition to the Supplier 's trademark, with the Distributor's own distinctive sign. Any other trade initiative foreseeing the use of the trademark or other distinctive sign of the manufacturer must be authorized in writing by the latter in advance.

15.3 In any case, the Distributor shall promptly inform the Supplier of any and every infringement which should come to its knowledge, regarding the Manufacturer's trademarks or other intellectual or industrial property rights, know-how included, made in the Territory.

15.4 The Distributor shall cease any use of the trademarks, names or other distinctive signs of the Supplier upon termination, for any reason, of this Contract, except as provided in art. 4.2 limited to the use of any stocks in inventory.

15.5 The Distributor also agrees, for the duration of this Contract, not to use the trademark, name or other distinctive signs of the Supplier other than as foreseen by item 2 of this article.

15.6 The Distributor also agrees not to file for patents on any distinctive signs equal or that can get confused with the Supplier 's ones, in Italy or abroad.

15.7 The use of the Supplier's distinctive signs by the Distributor doesn't represent a license, neither express, nor tacit.

Article 16 – Guarantees

16.1 The Supplier accepts a full and complete responsibility exclusively for any manufacturing defects and agrees to relieve the Distributor from any suit/claim/demand or other that any third Party may file against the Distributor for these reasons.

16.2 Only for cases of claims relative to manufacturing defect, the Distributor may, at its discretion, request replacement or repair of the products that shall be made within _____ days of the request, save every other guarantee and remedy of the law.

16.3 The Supplier guarantees that the products will be manufactured in respect of all the legal provisions on the subject.

Article 17 – Claims

17.1 Any disputes or claims made by the clients relative to defects in the Products of the Supplier shall be promptly reported to the latter. The Distributor may not offer guarantees, discounts, repairs or replacements of the Products, nor recognize anything, without the express authorization of the Supplier, unless it is willing to bear the cost in exclusive.

Article 18 – Advertising, fairs, exhibitions

18.1 The Distributor, if he deems it useful, may advertise the Products in the Territory at its own care and expense. The advertising initiatives shall be submitted for the approval of the Supplier with regard to compatibility with its own trade policy.

18.2 Participation and condition of participation of the Distributor in fairs or exhibitions must obtain the prior agreement of the Supplier and shall be at the care and expense of the Distributor.

Article 19 - Confidentiality

19.1 Both Parties agree to consider all technical information or knowledge originating or developed in connection with the work that is the subject of this Contract strictly confidential, and not to use them for purposes other than those connected with performance of the Contract, and not to disclose them to third Parties. Consequently, the Distributor agrees, in addition, to return the material and documents transmitted by the Supplier for the purpose of this Contract, including any drawings, reports, drafts, graphic projects, sketches and notes, within 15 days of termination for any reason of this Contract, except as foreseen in art. 4.2 limited to any inventory stocks.

* * *

PART FOUR: FINAL PROVISIONS

Article 20 – Duration and effectiveness

20.1 The present Agreement shall come into force on the date of its signature and shall be concluded for a period of _____ years.

20.2 At its expiration it shall be intended as automatically renewed for an equal period of time, and so on, year after year, at the same conditions, unless terminated with notice to be sent by one of the Parties by registered letter with return receipt at least sixty (60) days before the expiration.

Article 21 – Termination of the Contract

21.1 This Contract is understood as terminated by law, with immediate effect by communication pursuant to art. 1456 of the Italian civil code, by registered letter with return receipt, in any of the following cases:

- a) failure of the Distributor to comply with the instructions and directions given by the Supplier with regard to the methods for promotion, distribution and sale of the Products, as indicated by the Supplier (art. 5.1 and 5.3);
- b) failure of the Distributor to pay the Products ordered within the terms foreseen by art. 9;
- c) use of the trademark or other distinctive sign of the Supplier for purposes other than those of identification and advertising of the Products, without the latter's written authorization and in breach of the terms of art. 15;
- d) distribution and sale by the Distributor of products equal or that can be confused with those of the Supplier in breach of the non-competition clause in art. 13;
- e) breach of the territorial limits as defined in art. 1;
- f) delay of more than _____ days in delivery of the Products by the Supplier;
- g) breach of the agreement not to distribute via internet (art. 6 lett. g).

21.2 The Party applying the termination retains the right to obtain reimbursement of any damages incurred as a consequence of the other Party's breach.

Article 22 – Obligations subsequent to the termination of the Contract

On termination of the Contract, the Distributor:

- a) shall return to the Supplier all information and advertising material and any other document made available by the latter and of which it is in possession;
- b) shall cease any use of the trademarks, names or other distinctive signs of the Supplier upon termination, for any reason, of this Contract, except as provided in art. 4.2 limited to the use of any stocks in inventory.

Article 23 – Applicable law

This Agreement shall be governed by the Italian Law.

Art. 24 – Settlement of controversies

24.1 All controversies relative to the application, performance, interpretation of this Contract, are referred to the following body for settlement: _____⁶.

24.2 If the attempted settlement fails, the Parties may freely apply to the ordinary judicial authorities⁷.

24.3 The court with exclusive jurisdiction for any controversy on the validity and/or interpretation and/or performance and/or termination of this Contract is the court of _____,

Article 25 – Communications

25.1 All communications relating to this Contract, its performance and its termination shall be validly made to the address indicated in the heading of this Contract or to the address communicated later, by registered letter with return receipt, with a 10 days prior notice.

25.2 All communications relative to this Contract, unless specified otherwise, shall be made in writing, by registered letter with return receipt or fax, email or certified mail.

Article 26 – Other

26.1 This Contract is non-transferable, wholly or in part, without prior written agreement between the Parties.

26.2 Any change or addition to this Contract must be made in writing, dated and signed by both Parties in order to be valid.

26.3 This Contract is stipulated in two originals (one for each of the Parties).

Annexes List:

A – Products List

B –

C -

(place), (date)

The legal representative

The legal representative

⁶ Any organization for settlement of controversies having the legal requisites may be indicated. It should be noted, in this connection, that among the possible organizations is the **Conciliation Service** established at the Chambers of Commerce, Industry, Trade and Agriculture . Both the possibility of settlement and arbitration can be applied in other locations in which the ADR services are performed.

⁷ The second clause of this article can foresee, following specific negotiations between the Parties, the following separate arbitration clause, "If the attempted settlement fails, the Parties agree to refer the controversy to a single arbitrator, appointed by mutual agreement by the Parties or, in case of disagreement, by the Arbitration Chamber of the province of (according to which the arbitration procedure will be held). The arbitrator shall decide according to law and by ritual Site of the arbitration will be.....: