



**Licence agreement
I-501**

The following licence agreement is concluded between the

European Pallet Association e.V.

represented by President Robert Holliger
Wahlerstraße 28, 40472 Düsseldorf

– EPAL –

and the company

D.M. Pallets srl
Via Sabotino 30
I-21050 Gorla Maggiore (VA)


– Licence holder –

Preamble

EPAL is an international association which, as a pallet organisation, guarantees the use and exchangeability of wooden flat pallets (Euro pallets) and box pallets (Euro box pallets) as well as other cargo carriers within the framework of transport and storage logistics. A prerequisite for the unlimited and problem-free use and exchangeability of the cargo carriers is comprehensive and internationally uniform quality assurance.

For this purpose EPAL conducts unannounced and globally uniform quality controls within the operations of the licence holders. The quality controls guarantee the safety and suitability for use of the cargo carriers and form a basis for the exchangeability of the cargo carriers within international transport and storage logistics.

The licence holders of EPAL are companies that produce and repair Euro pallets and Euro box pallets as well as accessories and other cargo carriers, or promote the exchange pool through sales and service. With its uniform quality controls, EPAL also guarantees that the same competitive conditions exist for all licence holders.

Verification of the independent quality assurance, and therefore the exchangeability of the cargo carriers, is provided by the  mark.

EPAL guarantees the licence holders the right to use the mark within the framework of the production and repair of cargo carriers and the advertisement of goods and services. In return, the licence holders guarantee EPAL the right to carry out unannounced quality controls.

The licence fees serve to finance the quality controlling as well as the organisation of the international exchange pool by EPAL and the national organisations (National Committees) of EPAL. EPAL and the National Committees of EPAL do not pursue any commercial interests.

The foundations for the licensing and the execution of quality assurance measures comprise the conditions of the licence agreement as well as the Technical Regulations of EPAL, DIN EN 13698-1 (Euro pallets) and DIN EN 13626/DIN 15155 (Euro box pallets), insofar as this contract does not state otherwise.

On this basis, the parties therefore agree to the following:

§ 1 Mark

The object of this licence agreement is the mark



referred to as: "EPAL/oval".

The "EPAL/oval" mark is trademark protected by the:

- German Patent and Trademark Office (DPMA) under:
DE 2054520 and **DE 000472415** (collective marks)
- Trade Marks and Designs Registration Office of the European Union (Office for Harmonization in the Internal Market – HABM):
EU 000472415 (Community trademark)
- World Intellectual Property Organization (WIPO):
IR 617158 (IR mark)
- Intellectual Property Office (IP):
GB 2 528 337 (Certification Mark/Quality Seal)

§ 2 Licence issuance

EPAL guarantees the licence holder a simple, revocable and non-exclusive right to use the "EPAL/oval" mark.

As verification of licensing, the licence holder shall receive a licence certificate from EPAL on a calendar-yearly basis. The licence holder is entitled to utilise the licence certificate within the framework of advertising his company and the distribution of EPAL cargo carriers.

The licence holder is not entitled to issue sub-licences to third parties.
The assignment or pledging of the licence and any other form of transfer to a third party of the rights of the licence holder, as arising due to the licence agreement, is excluded.

§ 3 Scope of the licence

1. Labelling of pallets

The right to use the "EPAL/oval" mark is limited to the

**repair of wooden flat pallets
(EPAL Euro pallets)**

at the following site of the licence holder with the **licence number: I-501:**

D.M. Pallets srl
Via Sabotino 30
I-21050 Gorla Maggiore (VA)

The repair of EPAL Euro pallets at other sites belonging to the licence holder is only permissible with the written approval of EPAL.

EPAL Euro pallets, which are repaired by the licence holder at the aforementioned site, may be put into circulation by the licence holder without regional limitation.

2. Marketing

Furthermore, the licence holder is also entitled to use the "EPAL/oval" mark within the framework of advertising the repair, sales and exchange of EPAL Euro pallets as well as any services that are offered in conjunction with this, and for the purpose of advertising the company of the licence holder.

It is prohibited for the licence holder to incorporate the "EPAL/oval" mark into the licence holder's company name.

3.

It is only permissible to use the mark in its trademark-protected form (see § 2).

If the "EPAL/oval" mark is used within the framework of advertising then it must be displayed together with an "®" symbol. Insofar as this is possible with consideration to the concrete appearance of the advertisement, the licence holder should incorporate the following licence remark:

" is a protected mark of the European Pallet Association e.V. (EPAL)"

In the event of its use on printed advertising signs or advertising materials or on displays primarily intended for use in the United Kingdom and Isle of Man markets, the licence holder is obligated to include information stating that the "EPAL/oval" mark is a quality seal (Certification Mark).

§ 4

Licence conditions

1. Technical Regulations

The conditions for the use of the "EPAL/oval" mark are cited in the

Technical Regulations of EPAL.

The Technical Regulations including annexes and attachments, as well as the quality standards referred to herein, are components of the licence agreement.

The licence holder accepts the contents of the Technical Regulations including the annexes and attachments and the quality standards referred to herein as binding in nature. With the signature at the bottom of the licence agreement, the licence holder confirms that he has been issued with an (electronic) copy of the Technical Regulations by EPAL.

2. Amendments to the Technical Regulations

Following conclusion of the agreement, EPAL is entitled to amend or expand/supplement the Technical Regulations including annexes and attachments.

3. Notification of amendments

The notification of amendments or expansions/supplements to the Technical Regulations may be issued by EPAL by post with a simple letter to the address of the licence holder's site as per § 3 point 1, or by fax or email in the form of an electronic file. In case of notification being issued by post, notification will be deemed to have been received 14 days after the postage date. In all other cases (sending by fax or email), notification will be deemed to have been received upon dispatch by EPAL.

4. Right of extraordinary cancellation

If the licence holder does not agree with the amendment or expansion/supplement to the Technical Regulations then he is entitled to implement the extraordinary cancellation of the licence agreement within a period of two weeks of notification being issued, either with or without a notice period at his discretion, with effect from the effective implementation of the amendment or expansion/supplement (see § 12).

§ 5 Licence fees

The licence holder is obligated to make licence fee payments to EPAL.

1. Licence fee scale

The amount of the licence fees is dependent on the licence fee scale.

The licence fee scale in its respective valid form is a constituent of the licence agreement. The current version of the licence fee scale is enclosed as

Appendix 1

2. Monthly reports

The licence holder is obligated to report the number of EPAL Euro pallets repaired on a monthly basis, by the 10th of the following respective month (monthly report).

The monthly report is always submitted online. EPAL is obligated to treat the information provided by the licence holder regarding the scope of repair as strictly confidential.

3. Invoicing and payment

EPAL shall bill for the licence fees monthly, on the basis of the scope of repair of EPAL Euro pallets and the quality controls.

EPAL shall issue an invoice for the licence fees to the licence holder on a monthly basis. Invoices shall always be sent by email.

The total value of the invoice must be settled within a period of 10 days of receiving the invoice.

The licence holder is only entitled to offset any counter-claims against the value of the invoice if these have been established as legally effective, or if EPAL has recognised these.

4. Reminder charges

If the licence holder should fall into arrears with the submission of the monthly report or the payment of the licence fees and accordingly receive a reminder from EPAL then EPAL is entitled to charge a flat-rate processing fee for each reminder (reminder charge). The amount of the reminder charge is stipulated in the licence fee scale.

5. Changing the licence fee scale

EPAL is entitled to implement amendments or expansions/supplements to the licence fee scale. In this case, EPAL is obligated to inform the licence holder in a timely manner of the amendments or expansions/supplements and no later than 14 days prior to their coming into effect.

6. Notification of amendments

The notification of amendments or expansions/supplements to the licence fee scale may be issued by EPAL by post with a simple letter to the address of the licence holder's site as per § 3 point 1, or by fax or email in the form of an electronic file. In case of notification being issued by post, notification will be deemed to have been received 14 days after the postage date. In all other cases (sending by fax or email), notification will be deemed to have been received upon dispatch by EPAL.

7. Right of extraordinary cancellation

If the licence holder does not agree with the amendment or expansion/supplement to the licence fee scale then he is entitled to implement the extraordinary cancellation of the licence agreement within a period of two weeks of notification being issued, either with or without a notice period at his discretion, with effect from the effective implementation of the amendment or expansion/supplement (see § 12).

§ 6 Quality controls

1. Operation and repair controls

EPAL is entitled and obligated to carry out regular controls of the operations of the licence holder and the EPAL Euro pallets repaired by the licence holder. The details of the quality controls are stipulated in the Technical Regulations of EPAL (§ 4 of the licence agreement) including its annexes and attachments. EPAL is obligated to treat the results of the quality controls as strictly confidential.

2. Right of access

The licence holder is obligated to permit the inspectors of the audit company commissioned by EPAL to gain unrestricted access to all commercial areas of the site (including storage areas, although excluding administrative office rooms) at all times during normal working hours and without advance notification, and to support the quality controls to the requisite degree.

EPAL is entitled to participate in the quality controls with its own representatives. Exceptions to this are those representatives of EPAL who are also licence holders of EPAL.

§ 7

Mark protection

1. Legal defects

EPAL provides assurance that no legal defects are known in relation to the "EPAL/oval" mark, and that no rights have been asserted in relation to the mark by third parties.

2. Maintaining the mark

EPAL is obligated to implement all suitable and necessary measures in order to maintain trademark protection and to avoid any detrimental effects to the mark by trademark registrations with more recent priority.

3. Mark infringements

EPAL shall legally pursue infringements of the "EPAL/oval" mark.

The licence holder is obligated to inform EPAL of any infringement of the mark of this nature (e.g. production or repair of EPAL Euro pallets without a licence, trade with counterfeit EPAL Euro pallets, use of the "EPAL/oval" mark for advertising purposes without the permission of EPAL, etc) and to support EPAL in the pursuance of any mark infringements.

The licence holder does not have the right to independently pursue any infringements of the "EPAL/oval" mark. EPAL shall decide, with consideration to the severity of the mark infringement, its effects on the mark and the licence holders as well as the likelihood of success of any legal action, upon the actual measures in response to mark infringements. EPAL is not obligated to pursue any mark infringements.

§ 8

Use of data and data protection

1. EPAL website

EPAL is entitled and obligated to name the licence holder including listing the company proprietors/directors, licence number and contact details (address, telephone/fax, email address, internet address) on EPAL's website.

2. Use of data and data protection

All data and information regarding the licence holder acquired by EPAL or on its behalf within the framework of contractual performance (e.g. numbers of pallets repaired), or that EPAL obtains by any other means, shall be treated by EPAL as strictly confidential. EPAL is only permitted to pass this information and data on to third parties (e.g. authorities, accountants, attorneys, etc) if this is necessary for the purpose of contractual performance or if a legal obligation exists.

§ 9 Guarantee

1.
EPAL does not guarantee the legal validity of the mark and shall not be held liable for the mark being utilisable on a permanent basis and without regional limitation without infringing the rights of third parties.

2.
EPAL's liability is restricted to instances of intent and gross negligence.

§ 10 Auditing

The licence holder is obligated to keep orderly records of the scope of mark usage (number of EPAL Euro pallets repaired) and to inform EPAL by means of monthly reports in accordance with § 5 point 2 of the licence agreement.

EPAL is entitled to have the books of the licence holder audited by an independent financial auditor, exclusively for the purpose of checking the accuracy and completeness of the monthly reports. For this purpose the licence holder must retain all books and documents (delivery notes and invoices), irrespective of the legally prescribed periods of retention, for a period of 5 calendar years prior to the start of the current, respective calendar year. EPAL shall bear the costs of auditing the books unless the audit reveals a deviation of more than 5% from the reported volume to the detriment of EPAL for one or more of the months. In this case, the licence holder shall bear the costs of the audit, insofar as these are necessary and appropriate.

For every month that the licence holder does not provide auditable documentation, EPAL is entitled to opt, at its discretion, to invoice for the licence fees lost either by increasing the volume stated per the monthly report by 100%, or by billing a flat rate additional licence fee amounting to EUR 1,000.00 plus VAT.

§ 11 Ancillary obligations

Both parties are obligated to act with loyalty and consideration. Both parties are obligated to support the other party respectively in the implementation of contractual performance and the attainment of the legitimate purposes. This includes an obligation to avoid any conduct that may impede the interests worthy of protection of the other respective contracting party. The parties are obligated in particular to avoid any damage to or impairment of the "EPAL/oval" mark or the good reputation of any cargo carriers bearing the "EPAL/oval" mark, including the exchange pool.

§ 12

Duration of the licence agreement and termination

1. Legal validity and duration

The licence agreement shall enter into force on the _____ and shall remain valid on an open-ended basis.

2. Ordinary termination and notice period

The licence agreement can be ordinarily terminated by either party without providing grounds for doing so. The notice period is three months from the end of the month. The right to extraordinary cancellation remains unaffected.

3. Extraordinary cancellation

The parties are entitled to implement extraordinary cancellation of the licence agreement if good grounds exist for doing so.

Good grounds exist if one of the contracting parties significantly infringes the obligations arising from the licence agreement and it is unreasonable on this basis for the other party to continue with the contract until the expiration of the notice period applicable in the event of ordinary termination per § 12 point 2.

3.1

The right of EPAL to implement extraordinary cancellation exists in particular if

- the licence holder grievously infringes the conditions of the Technical Regulations,
- the licence holder ceases the repair of EPAL Euro pallets with full effect or for the duration of at least one year,
- the licence holder is two or more monthly reports in arrears according to § 5 point 2 of the licence agreement,
- the licence holder submits monthly reports that are false as a result of gross negligence or intent, or that are incomplete according to § 5 point 2 of the licence agreement,
- the licence holder fails to pay licence fees, contract penalties or other receivables owing to EPAL when these fall due, and he has previously been informed of the possibility of extraordinary cancellation in the event of further payment arrears with a notice period of two weeks,
- insolvency proceedings are initiated with respect to the licence holder, or the commencement of such proceedings is rejected due to a lack of assets,
- the licence holder infringes the right of EPAL to the "EPAL/oval" mark.

3.2

The right of the licence holder to implement extraordinary cancellation exists in particular if EPAL announces an amendment or extension/supplement to the Technical Regulations including the annexes/attachments or an amendment to the licence fee scale and the licence holder is not in agreement with the amendment or extension/supplement (§ 4 point 4 and § 5 point 7 of the licence agreement).

3.3

The extraordinary cancellation must be announced within a limitation period of 2 weeks from receipt of notification of the circumstance that constitutes the grounds for cancellation.

4. Written form

Cancellation must be in writing to take effect.

Notification by means of fax constitutes a written form of cancellation.

5. End of mark utilisation

When the contract comes to an end, the right of the licence holder to use the "EPAL/oval" mark also comes to an end.

§ 13

Contract penalty

EPAL is entitled to issue a contract penalty in the event of an infringement of the licence conditions or the licence agreement by the licence holder. The terms of the Technical Regulations and the Statutes of EPAL apply in their respective valid form. The right to extraordinary cancellation of the licence agreement remains unaffected by this. The right to raise additional claims for damages is reserved.

The process of issuing a contract penalty as well as the type and value of the contract penalty are regulated in the Statutes of EPAL. The Statutes of EPAL are a component of the licence agreement and are enclosed in their current valid form at the time of contractual agreement as

Appendix 2.

The licence holder confirms that he has received a copy of the Statutes and that he accepts these - in particular the regulations contained within these governing the issuance of contract penalties - as being binding in their current valid form.

If the board of EPAL determines that the contract penalty shall be a withdrawal of the licence then the announcement of the decision of the board shall be equivalent to extraordinary cancellation per point 12 of this contract. The limitation period per § 12 point 3.3 does not apply in this case.

§ 14

Compliance

EPAL and the licence holder reject any anti-competitive actions and other illegal activity.

The licence holder is free to configure his pricing and conditions within the framework of the sales of the EPAL Euro pallets repaired by him. He is obligated to avoid concluding any form of pricing or conditions agreements with other licence holders of EPAL.

§ 15
General

1. Applicable law

The contract is subject to German law (to the exclusion of the conditions of German international private law and UN purchase law) insofar as the existence and enforcement of the "EPAL/oval" mark is not subject on a mandatory basis to the national legislation of other countries.

2. Place of jurisdiction

Place of jurisdiction is Düsseldorf.

3. Written form

Verbal ancillary agreements do not exist.

Changes and amendments to the licence agreement must be in writing. This also applies to a rescinding of or an amendment to this clause, stipulating the written form requirement.

4. Severability clause

Should a condition of this licence agreement prove to be or become ineffective, this shall not affect the effectiveness of the remainder of this contract.

The parties are obligated to replace the ineffective clause with an effective regulation, which reflects the ineffective clause and the commercial intentions of the contract insofar as is possible.

The same applies to contract loopholes.



(Name, Last Name)



D.M. PALLETS SRL
A Socio Unico

(Licence holder)

Goerle macchiole, 20/07/2018

(Place, date)

Düsseldorf, _____
(Date)

(European Pallet Association e.V.)