

## GENERAL PURCHASE TERMS AND CONDITIONS FOR GOODS

Mod\_DPI\_155a\_Rev04\_CGA\_EN\_Goods

<b>Art.1</b>	ORDERS
<b>Art.2</b>	TECHNICAL DOCUMENTATION ACCOMPANYING THE ORDER
<b>Art.3</b>	PRICES
<b>Art.4</b>	IDENTIFICATION OF THE GOODS
<b>Art.5</b>	DELIVERY DATE AND PLACE
<b>Art.6</b>	MATERIAL CONTROL IN CASE OF TOLLING AGREEMENT
<b>Art.7</b>	PARTIAL DELIVERIES AND PARTIAL INVOICES
<b>Art.8</b>	FILLING OUT OF ADMINISTRATIVE DOCUMENTS
<b>Art.9</b>	CERTIFICATION
<b>Art.10</b>	PACKING AND TRANSPORT
<b>Art.11</b>	AUDITS AND ANY FINAL TESTING
<b>Art.12</b>	TRANSFER OF THE OWNERSHIP AND RISK
<b>Art.13</b>	WARRANTY FOR THE GOODS
<b>Art.14</b>	INSURANCE POLICY
<b>Art.15</b>	QUALITY SYSTEM
<b>Art.16</b>	COMPLIANCE WITH TO CASH FLOWS TRACKING REGULATIONS
<b>Art.17</b>	WITHDRAWAL RIGHT
<b>Art.18</b>	EXPRESS TERMINATION CLAUSE
<b>Art.19</b>	RETURN OF EQUIPMENT, MATERIALS AND DOCUMENTATION
<b>Art.20</b>	ASSIGNMENT OF RECEIVABLES AND OF THE PURCHASE CONTRACT
<b>Art.21</b>	SUBCONTRACTORS
<b>Art.22</b>	CONFIDENTIALITY
<b>Art.23</b>	INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS
<b>Art.24</b>	ADMINISTRATIVE RESPONSIBILITY
<b>Art.25</b>	JURISDICTION AND LAW APPLICABLE
<b>Art.26</b>	DOMICILIE AND COMMUNICATIONS
<b>Art.27</b>	PROCESSING OF DATA PURSUANT TO ITALIAN LEGISLATIVE DECREE NO. 196 OF 30 JUNE 2003 AND EU REGULATION 679/2016

**1. ORDERS**

1.1 These terms and conditions shall apply to all purchase orders for materials and machinery of all kinds (hereinafter "**Goods**") issued by De Pretto Industrie S.r.l. (hereinafter "**DPI**"). Notwithstanding any contrary provision contained in the sale terms and conditions of the Vendor, the latter agrees that its acceptance of DPI's purchase order constitutes (1) an express waiver by the Vendor of its own sale terms and conditions, as well as (2) an express acceptance by the Vendor of the terms and conditions herein set forth.

1.2 Unless otherwise agreed upon between the parties, an order shall be deemed final and binding with the receipt by DPI, within 3 (three) days from the date of the order, of the order confirmation sent by the Vendor in writing. Acceptance by the Vendor shall take place preferably directly on the DPI purchase order document.

**2. TECHNICAL DOCUMENTATION ACCOMPANYING THE ORDER**

2.1 The Vendor is responsible for:

- holding all documents to be enclosed to and/or mentioned in the order;
- checking the correspondence of the documents held by the same with those stated in the order;

2.2 In case of discrepancies between the documents held and those mentioned, or in case of absence of the same, the Vendor shall ask DPI to provide the correct documentation.

2.3 In case of discrepancies within the documents, when not already provided for, the Vendor shall ask DPI to specify the order of prevalence among them.

**3. PRICES**

3.1 The applicable price is the price stated on DPI purchase order or resulting from calculation formulas stipulated in the purchase order. Such price is deemed to be fixed and invariable for the entire duration of the supply. The provisions of articles 1664 of the Italian Civil Code (onerousness and difficulty of execution) and 1467 of the Italian Civil Code (Supervening excessive onerousness - contracts with continuous, periodic or deferred performances) do not apply to the Purchase order, taking into account the Supplier's assumption of risks in relation to circumstances which could impact the supply (including any price fluctuations).

3.2 Should custom duties be borne by DPI according to the applicable Incoterm, in case of increase of custom duties relevant to the Goods and/or Goods' components, during the performance of the purchase order, with respect to those in force at the date of signature of the purchase order, DPI reserves the right to proportionally decrease the purchase order price.

3.3 Payment shall be made exclusively on the accounts held in the name of the Vendor, at a bank non-residing in a country included in the "black list" by the Italian Tax Authorities, unless the Vendor resides or has its registered head office in one of such countries.

3.4 Vendor expressly agrees that DPI is allowed to offset any amounts due to Vendor against any amounts due by Vendor to DPI however caused.

**4. IDENTIFICATION OF THE GOODS**

4.1 The Vendor is required to assure the safekeeping of the Goods sent by DPI for processing or on a consignment basis and, in any case, of the Goods already paid DPI, which are still at the Vendor's premises. In detail, the Vendor warrants that the Goods and/or assets mentioned above:

- a) are carefully guarded and kept under appropriate conditions so as to assure that they do not suffer any damages and/or deterioration caused by the exposure to unsuitable climatic conditions or to the use of inappropriate containers;
- b) are marked so as to allow for their clear and unambiguous identification as assets owned by DPI.

**5. DELIVERY DATE AND PLACE**

5.1 Delivery dates are specified in the purchase order. The acceptance of the purchase order by the Vendor involves the irrevocable commitment of the latter to comply with the stated delivery dates.

5.2 The delivery dates specified in the purchase order shall be construed as essential for the specific purchase order and may be modified only by written agreement between both Parties.

5.3 The Goods shall be delivered, by the delivery date specified in the purchase order, at the plant of DPI in Schio (VI) or at a different destination as stated in the purchase order.

5.4 In the event that Vendor fails to comply with the delivery terms indicated on the purchase order, Vendor shall pay DPI a penalty amount as envisaged in the Order. If no such penalty is envisaged in the Order, a penalty of 1% (one percent) of the Order price shall be charged to Vendor for each week (5 working days) of delay, up to a maximum of 10% (ten percent) of the Order price. This is

without prejudice to the right of DPI to claim compensation for further damages and, in the event of maximum penalty, to terminate the contract.

5.5 The Goods shall be delivered with correct transport documents or accompanying invoice which must indicate: (i) the DPI purchase order number, (ii) the DPI purchase order position number, (iii) quantity relating to the various positions of the purchase order, (iv) description of the good as indicated on the DPI purchase order, (v) transport description, (vi) number of packages, (vi) weight of the Goods delivered.

## **6. MATERIAL CONTROL IN CASE OF TOLLING AGREEMENT**

6.1 At the time of delivery by DPI of goods outsourced for processing to Vendor, the same shall be responsible for verifying (i) the presence of a transport document which indicates the nature and quantity of the Goods and the transport description; (ii) the correspondence between the Goods actually delivered and the amount indicated on the transport document and (iii) immediately inform DPI of any missing transport documents or any other discrepancies before signing off the delivery.

6.2 The procurement of the missing Goods after the signing of DPI's transport document or any supplier sub-contracted by DPI are the responsibility of Vendor.

Supplier undertakes not to receive Goods attributable to DPI without an appropriate transport document which indicates the nature and quantity of the Goods and the transport description. In such cases, Vendor shall promptly report the fact to the DPI purchasing department.

6.3 The Goods shall be delivered with correct transport documents or accompanying invoice which must indicate: (i) the DPI purchase order number, (ii) the DPI purchase order position number, (iii) quantity relating to the various positions of the purchase order, (iv) description of the good as indicated on the DPI purchase order, (v) transport description, (vi) number of packages, (vi) weight of the Goods delivered.

## **7. PARTIAL DELIVERIES AND PARTIAL INVOICES**

Partial deliveries and related partial invoices are not allowed, unless otherwise authorized in writing by DPI. In such cases the transport documents and invoices shall refer to the specific order line corresponding to the delivered product. Moreover, the transport document shall also state whether the goods are to be considered as an advance or a settlement.

## **8. FILLING OUT OF ADMINISTRATIVE DOCUMENTS**

8.1 The purchase order confirmation by the Vendor, the transport documents and the invoices shall state the number and the reference line of the purchase order.

8.2 The invoices shall include the prices stated in the purchase order.

8.3 Purchase orders processed with documents incorrectly filled out may cause difficulties in the acceptance of the material and may cause delay in payments.

## **9. CERTIFICATION**

9.1 The certification and the specific documentation required in the purchase order shall accompany the Goods during delivery.

9.2 The lack of the required certification and/or documentation, as well as their improper or incomplete filling out, will be considered a contractual breach with all the legal consequences involved.

## **10. PACKING AND TRANSPORT**

10.1 Unless otherwise agreed upon in writing, the price is deemed to include packaging and transport.

10.2 Unless DPI requires a special packaging in the purchase order, the Vendor shall provide the Goods with adequate packaging, taking into account the nature of the Goods and taking all necessary measures to protect the Goods from weathering, corrosion, loading accidents, transport or storage conditions, vibrations or shocks, etc. In any case, the Goods shall be packed, labeled and marked for the delivery in such a manner as (i) to comply with good business practice and (ii) to be adequate to assure their safe and intact delivery to the named destination.

## **11. AUDITS AND ANY FINAL TESTING**

11.1 DPI and any third-party inspection and assessment organizations delegated by the same shall have the right to carry out audits, giving reasonable notice, at the premises of the Vendor to check the progress status of the supply and/or the Vendor's quality system; and the Vendor shall assure free access and adequate accompaniment to them.

11.2 If it is envisaged for the Goods to be tested at the premises of Vendor or at the premises of an appointed sub-supplier, or at the premises of the DPI or the end customer of the DPI, Vendor undertakes to carry out such activities on the basis of the procedures prepared in writing by Vendor and approved by DPI or prepared in writing by DPI and accepted by Vendor at the time the purchase order is sent ("Contractual Inspection Plan"). Supplier shall convene DPI to carry out the audits envisaged by the Contractual Inspection Plan in accordance with the notice indicated therein.

## **12. TRANSFER OF THE OWNERSHIP AND RISK**

12.1 Unless otherwise agreed upon in writing in the purchase order, the transfer of the ownership shall take place upon delivery of the Goods at the plant of DPI in Schio (VI) – via A. Fogazzaro 5, or at the destination otherwise agreed upon.

12.2 The transfer of the risk shall take place in accordance with the INCOTERMS 2020 rules applicable to the supply. If no INCOTERMS 2020 rule is applicable or if none of them is specified, the transfer of the risk shall follow the rule for the ownership transfer.

## **13. WARRANTY FOR THE GOODS**

13.1 The Vendor warrants, for a period of twenty four (24) months from delivery, that the supplied Goods (i) do comply with the specifications, designs, drawings and information of the Vendor or provided by DPI, as well as with all the requirements and conditions stated on the purchase order, (ii) are of good workmanship and free from any defect in the design, materials, manufacturing and operation, (iii) are of a quality suitable for the use required by DPI.

13.2 Therefore, within such warranty period of 24 months, the Vendor shall remedy any defects in the supplied Goods and/or remedy to their failure to comply with the technical data, bearing all costs (including transportation), by repairing and/or replacing and/or redesigning the nonconforming Goods. DPI shall notify such circumstances to the Vendor within one month from the date of their discovery. The parts removed or replaced shall be warranted under the same conditions of the main supply.

13.3 In case of failure to timely fulfil the above obligations, DPI is authorized to remove or to eliminate the faults and/or defects and to provide for the replacement of the parts not meeting the order, at the expense and risk of the Vendor.

13.4 The law provisions regarding compensation for the damages suffered by DPI due to faults and/or defects of the supplied Goods, as well as on the liability of the Vendor in the event of subsequent claims for damages by third parties do apply.

## **14. INSURANCE POLICY**

14.1 The Vendor shall stipulate, in addition to all insurance policies required by law, an adequate insurance policy with a leading insurance company to the Vendor's satisfaction:

- Insurance Policy covering third party liability for a maximum insurable amount not lower than 2,500,000.00 EUR per event. The insurance policy shall explicitly mention DPI, its employees and representatives and consultants as Third Parties. The coverage shall include among the guarantees coverage for damages caused by fire and damages caused by business interruption of third parties and/or the supply of services.
- Insurance policy covering third party liability for product defects for a maximum insurable amount not lower than 2,500,000.00 EUR per event. The coverage shall include among the guarantees coverage for damages caused by fire and damages caused by business interruption of third parties and/or the supply of services.
- Insurance policy covering Employer's third party liability, in the event that the activities are carried out by personnel directly employed by the Vendor, with a maximum limit of no less than € 1,500,000.00 per incident and per injured person.
- Insurance policy covering Third Party Professional liability, in case of design and/or calculation activity, for a maximum insurable amount not lower than 2,500,000.00 EUR per event. The coverage shall include among the guarantees coverage for damages caused by fire and damages caused by business interruption of third parties and/or the supply of services.
- Insurance policy All Risks (including theft), in case of custody of products delivered for processing, covering any damages (even of catastrophic nature) that may affect the entrusted goods for the entire custody period.

14.2 The aforesaid coverages must provide for explicit Waiver of right to Compensation by DPI and its Affiliates.

14.3 The Vendor must exhibit the last valid insurance certificate when requested.

14.4 In the event that the Vendor is not in full or partial compliance with the aforementioned insurance obligations, the undersigned reserves the right to activate, in the name of and on behalf of the Vendor, the coverage which fully meets the aforementioned insurance criteria charging the relative cost to said Supplier.

14.5 The maximum insurable amount of the above mentioned insurance policies shall not be deemed as limitation of Vendor's liability.

#### **15. COMPLIANCE WITH THE GENERAL REQUIREMENTS AND QUALITY SYSTEM**

15.1 The Vendor shall state whether its quality system is certified by certification bodies accredited within the EU. If so, it is the responsibility of the Vendor to immediately notify to DPI any modification, suspension or withdrawal of the said certification, during the validity of the purchase contract.

#### **16. COMPLIANCE WITH CASH FLOWS TRACKING REGULATIONS**

16.1 When a purchase order was stipulated by DPI for the execution, also not exclusive, of a public contract, the Vendor, pursuant to Article 3 of the Italian Law 136 of 13 August, undertakes as of now to meet financial flows traceability obligations set forth by Italian Law No. 136/2010.

16.2 On the order confirmation and on the invoices, the Vendor shall state the CIG and/or CUP code that will be stated on the purchase order of DPI, and it shall notify to DPI the details of the dedicated current account to which payment shall be made.

16.3 The Vendor undertakes to include in the contracts signed with subcontractors in the supply chain, in any way involved in the execution of the purchase order, under penalty of nullity, a clause by means of which each of them undertakes to meet the financial flows traceability obligations pursuant to the Italian Law 136/2010.

16.4 Pursuant to Article 3 paragraph 9 of the Italian law No. 136 dated 13 August 2010, the Contracting Authority has the right to verify, under penalty of nullity, that in the contracts signed with subcontractors in the supply chain in any way involved in the execution of the main contracting agreement the clause mentioned under item 16.3 is included, by means of which each of them undertakes to meet the financial flows traceability obligations pursuant to the Italian Law 136/2010.

16.5 Pursuant to Article 3, paragraph 8 of the Italian Law No. 136 of 13 August 2010, the contract is legally terminated automatically in all cases where the transactions relating to it were performed by DPI or by the Vendor without using banks or the company Poste Italiane Spa; the contract is terminated when DPI or the Vendor becomes aware of the failure of the counterparty to meet its financial traceability obligations pursuant to the mentioned Article; In this case, the party that becomes aware of the infringement shall immediately terminate the contract, informing at the same time the contracting authority and the prefecture - government's territorial office - having jurisdiction.

#### **17. WITHDRAWAL RIGHT**

DPI reserves the right to terminate the contract, in whole or in part, at any time, by giving written notice to the Vendor. In such a case, DPI shall reimburse, on the same payment terms specified in the purchase order, the costs, duly evidenced, borne by the Vendor up to that moment, retaining the right to pick-up the paid material.

#### **18. EXPRESS TERMINATION CLAUSE**

If the execution of the supply does not proceed in accordance with the contractual conditions and/or in a workmanlike manner, DPI shall warn the Vendor in writing to take appropriate action within a specified term not exceeding 20 (twenty) working days; should such term elapse without any result, the contract is deemed terminated definitely. In this case nothing shall be due to the Vendor, without any prejudice to the right of DPI to claim for damages, as of now predetermined to the extent of 20% of the purchase order amount and subject to the right of claiming for greater damages. Until each pending issue is solved, DPI shall hold as guarantee the amount for any reason whatsoever due to the Vendor.

#### **19. RETURN OF EQUIPMENT, MATERIALS AND DOCUMENTATION**

19.1 In case of expiration, withdrawal from the contract or termination of the same, , the Vendor shall promptly return all documents, drawings, prototypes or equipment or materials (molds, machinery, etc.) in its hands being a property of DPI without holding any copies of the same.

19.2 DPI may request, at any time and for any reason whatsoever, by simple written notice, the return of the equipment, materials and documentation mentioned above.

19.3 The Vendor shall take care to maintain the material in good condition, not damaging it during the period following the termination of the relationship, adequately packing the goods for transport so as to preserve their integrity.

#### **20. ASSIGNMENT OF RECEIVABLES AND OF THE PURCHASE CONTRACT**

20.1 The assignment of receivables, special collection mandates or other forms of payment delegation are not allowed. The contract may not be assigned, in whole or in part, to third parties.

#### **21. SUBCONTRACTORS**

21.1 Without the prior full written consent by DPI, the Vendor may not directly or indirectly entrust to subcontractors, at any level, the execution of the purchase order or of any part thereof.

21.2 The Vendor shall hold DPI harmless against any possible claims for compensation by its contractors or suppliers.

#### **22. CONFIDENTIALITY**

22.1 All information that DPI may transfer to the Vendor, in any way whatsoever, both orally and on paper or on electronic media, is confidential and shall be treated as such; for no reason, the Vendor may reproduce or disclose it to third parties.

22.2 Any disclosure required for the execution of this contract shall be previously authorized in writing by DPI.

22.3 The Vendor shall take appropriate steps to safeguard the confidentiality of the transmitted information, remaining responsible for non-authorized disclosures by its employees and/or collaborators

#### **23. INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS**

23.1 The Vendor guarantees that the Goods supplied, any components, information and know how to produce them, comply with - hence do not violate in any way - the intellectual and industrial property rights of other parties. It undertakes to hold DPI harmless of any prejudice suffered because of a violation of those intellectual property rights by the Vendor. More specifically, if DPI should be accused of violating intellectual and/or industrial property rights by the parties asserting ownership of the intellectual and/or industrial property rights to the Goods and/or one or more physical and/or digital components, the Vendor shall relieve DPI of all costs related to the litigation (including legal, out-of-court and expert opinion expenses, sentences to pay sums and so on) hereto authorising compensation of the sums in question with what is possibly owed by DPI to the Vendor through existing contractual relations.

23.2 The drawing and/or design components supplied by DPI may not be processed, produced or circulated by the Vendor by any means (including social media), either directly or indirectly through third parties or intermediaries, for third parties, whether individuals or legal entities, in Italy or abroad.

23.3 The Vendor shall maintain any technical information, including production processes and know how, revealed by DPI during the supply relationship strictly confidential; and for five years after relations between the parties have terminated, for any reason (even litigation).

#### **24. ADMINISTRATIVE RESPONSIBILITY**

24.1 The Vendor declares to be aware of the regulations in force concerning the administrative responsibility of legal persons pursuant to the Italian Legislative Decree No. 231 of 8 June 2001, to have been informed of the Management Model and Ethic Code adopted by DPI, and the same expressly declares to adhere to all the provisions therein contained. The Ethic Code is available on DPI's website ([www.deprettoindustrie.it](http://www.deprettoindustrie.it)).

24.2 Given the extreme importance of the validity of the above-mentioned Model and Ethic Code, in the event of breach by the Vendor of the provisions of such Model or Ethic Code, this contract shall be terminated with immediate effect pursuant to Article 1456 of the Italian Civil Code, while DPI shall in any case retain its right to claim for the compensation of damages.

#### **25. JURISDICTION AND LAW APPLICABLE**

25.1 This contract is subject to Italian jurisdiction and law. The application of United Nations Convention on Contracts for the International Sale of Goods (Vienna, 1980) (CISG) is expressly excluded.

25.2 All disputes resulting from this contract or arising related to it will be settled by Vicenza court, specifically excluding any other court abstractly configurable.

#### **26. DOMICILE AND COMMUNICATIONS**

26.1 The parties elect domicile for all communications in the registered office resulting from the registers of the Chamber of Commerce or equivalent entity if the Vendor is not Italian and, for the IT domicile, at the certified e-mail address (PEC) resulting from the same Chamber of commerce.

26.2 Any communication related to ordinary compliance with this contract must be in writing, also by ordinary e-mail, and be addressed to the DPI Purchaser indicated in the order and/or the different one possibly indicated at a later date.

**27. PROCESSING OF DATA PURSUANT TO ITALIAN LEGISLATIVE DECREE NO. 196 OF 30 JUNE 2003 AND EU REGULATION 679/2016**

27.1 Pursuant to Legislative Decree 196/03 and European Regulation 679/2016, to the extent that these regulations are applicable, the parties declare that - based on a legitimate interest - they will process the personal information they acquire (including that of respective employees, collaborators, consultants related to the working activities; therefore, as an example: company addresses and phone numbers, company function belonged to, office belonged to) solely to fulfil contractual and legal obligations, and that processing does not require specific consent.

Each party undertakes, personally, to inform its employees of processing needed to fulfil obligations taken on by signing this contract. The data will be processed manually and electronically, and will not be circulated or communicated to anyone, except public authorities requesting it for a motivated reason and in order to exercise a right, including that of defence, to experts, advisers and lawyers.

The personal data will be stored for the duration established by civil law non-contractual liability provisions pursuant to art. 2043 - 2051 Italian Civil Code, after that it will be destroyed.

The interested parties have the rights set forth in arts. 7-11 Legislative Decree 196/03 and 12, 13 from 15 to 22 EC Reg. 679/2016, which they may exercise, also through proxy, by writing to the process controller at the respective registered offices resulting from the Register of Companies and/or public register containing public administration addresses.

Pursuant to art. 13 EC Reg. 679/2016 the interested party has the right to consult its national data protection authorities, to exercise its rights.

27.2 To guarantee an effective possibility for the interested party to exercise its rights pursuant to articles 12 para. II, from 15 to 22 EC Reg. 679/2016, the parties undertake, penalty the contract being terminated, to co-operate without delay to enable the interested party to exercise its rights as set forth in the above law.

Date

Stamp and signature of the Vendor

---

---

Pursuant to Article 1341, paragraph 2, of the Italian Civil Code, the Vendor expressly accepts the articles:

17 - Withdrawal right.

18 - Express termination clause.

25.2 - Jurisdiction

Date

Stamp and signature of the Vendor

---

---