

# GENERAL TERMS AND CONDITIONS OF PURCHASE AND SUPPLY

These General Terms and Conditions of Purchase and Supply have been read and approved by the parties to the contract and are an integral part of the Order. The contract signed between the parties, "*Laurini Officine Meccaniche S.r.l.*" as purchaser and the supplier set forth in the Order, is supplemented by these General Terms and Conditions of contract whereby the parties agree and stipulate as follows.

## 1. RECITALS

This document contains the list of the General Terms and Conditions of Purchase and Supply that govern all Purchase Orders issued by "*Laurini Officine Meccaniche S.r.l.*" as Purchaser to the Supplier for Products, Material and/or Services and bind the parties within the limits of their applicability to the subject-matter and scope of the Supply (Product only, Material only, Services only or Products, Material and Services together) and the specific type of Product, Material and/or Service.

The Purchase Orders of "*Laurini Officine Meccaniche S.r.l.*" are governed by the General Terms and Conditions of Purchase and Supply set forth below, except as expressly provided for in special terms and conditions laid down in the Order, which shall prevail, in the event of conflict, over these Terms and Conditions. Any deviation from or addition to these General Terms and Conditions of Purchase and Supply shall only be valid if accepted in writing by "*Laurini Officine Meccaniche S.r.l.*".

The General Terms and Conditions of Purchase and Supply shall be an integral part of the purchase contract and shall be deemed fully accepted by the Supplier.

## 2. DEFINITIONS

In the contract the following terms shall have the meanings set out below:

"**General Terms and Conditions of Purchase and Supply**" or "**Terms and Conditions**" shall mean these Terms and Conditions.

"**Contract**": is the set consisting of the Order, the General Terms and Conditions of Purchase and Supply and of all documents listed therein that are an integral part thereof; any subsequent Change Orders shall also be part of the Contract.

"**Order**": lays down the obligations and rights between the Purchaser and the Supplier for the supply of Products, Material and Services.

"**Change Order**": is a written change to the Order, issued by the Purchaser and accepted by the Supplier under the same procedure as the Order, used to make additions, reductions and changes to the contents of the Order.

"**Purchaser**": shall mean the "*Laurini Officine Meccaniche S.r.l.*" company, which issues the Order to the Supplier for the supply of the Products, Materials and Services described below.

"**Supplier**": shall mean the company and/or firm receiving the Order from the Purchaser for the supply of the Products, Materials and Services described in the Contract.

"**The Purchaser's Operational Headquarters**": shall mean the place where "*Laurini Officine Meccaniche S.r.l.*" permanently carries out its business operations, located in 43011 Busseto (PR), Italy, at the hamlet of Spigarolo with no street number.

"**Products, Materials and Services**" or "**Supply**": shall mean the Materials (Materials in general), the Products (semi-finished and/or finished products) and the Services (Services and ancillary services) ordered to the Supplier and described in the Contract, which shall be delivered by the Supplier against the Order.

"**End Customer**": is the customer of the Purchaser.

"**Latent defects**" are those defects and faults of which the Purchaser was not only unaware at the time of delivery, but could not even have detected using ordinary diligence.

## 3. SUBJECT-MATTER

The subject matter of the Contract is the Supply better described in the Order specifically approved and of which these Terms and Conditions shall be an integral part.

Please note that acceptance of the Order shall be valid and binding for the Purchaser only and exclusively in the event of acceptance of these General Terms and Conditions of Purchase and Supply. Acceptance shall be received within 5 (five) days of sending the Order.

Acceptance of the Order shall entail the Supplier's total renunciation of its own terms and conditions of sale, even if they are attached to its bid or acceptance of the Order.

## 4. TRANSPORTATION

Unless otherwise specified in the Order form and specifically approved by the Purchaser, any transportation, assembly or disassembly of the Products, Materials and Services covered by the Contract shall be at the Supplier's expense.

## 5. CHANGES IN THE SUPPLY AND CHANGE ORDER

While the Supply is being carried out, the Purchaser may change the quality, quantity, characteristics and/or shape of the Products, Material and Services; such changes shall be promptly carried out by the Supplier. Should such changes affect time and costs to an extent exceeding a range of 5% (five per cent), it is agreed between the parties that the Supplier shall be entitled to fair additional consideration and/or an extension of the delivery term, which shall, however, be agreed upon in advance with the Purchaser.

Within the range of 5% (five per cent) there shall be no changes to the costs and delivery terms agreed upon in the Order.

## 6. TOLL PROCESSING MATERIALS

In the event that, for the performance of the Supply, the material is supplied directly by or on behalf of the Purchaser, the Supplier shall be obliged to verify, at his own expense, the material conformity with the quality provisions set by the Purchaser and shall notify the Purchaser in writing of any non-conformity within 3 (three) days of delivery.

Should the material be damaged by the Supplier, the Purchaser shall be indemnified by the Supplier for the value of the goods, without prejudice to compensation of any resulting damage.

## 7. DELIVERY TERMS, ORDER CANCELLATION AND PENALTY FOR DEFAULT

The delivery terms set forth in the Order shall be essential, mandatory and binding on the Supplier pursuant to Article 1457 of the Italian Civil Code.

The Materials and Products shall be delivered and the Services shall be provided at the Purchaser's Operational Headquarters set forth in the Order or at such other place expressly stated in the Order. Evidence of delivery of the Supply shall be given by the date of receipt on the transport document. Scheduled deliveries or service provisions shall not be brought forward, unless their bringing forward is authorized in writing, and deliveries and/or service provisions shall not be partial, unless so agreed on between the parties.

In the event that the Purchaser does not intend to make use of the essential term, the Purchaser shall have the right to cancel the Order in case of any of delays exceeding 15 (fifteen) days, by giving simple written notification thereof to the Supplier, pursuant to Article 1456 of the Italian Civil Code, without prejudice to compensation for all damages suffered.

In this case nothing shall be due to the Supplier except payment for the Products, Materials and Services accepted and retained or used by the Purchaser. That being the case, to be considered as serious default, the parties hereby agree that the Supplier shall pay a penalty equal to 30% (thirty per cent) of the original amount of the Order received and agreed upon, without prejudice to the right to compensation for any damages arising from the delayed Supply. The Purchaser shall have the right to offset any amount due to the Supplier on any ground whatsoever, even for supplies other than those referred to in the Order, against the amounts accrued by way of penalty in the performance of the Order.

## 8. PENALTIES

In the event of failure to comply with the terms set for the delivery of the Products, Materials and Services or part thereof, whatever the cause - except only in proven cases of force majeure, which the Supplier shall promptly report in writing - for each day of delay starting from the date agreed in the Order for delivery, the Supplier may be subject to a penalty equal to 2% (two per cent) for each week of delay and in any case up to a maximum of 10% (ten per cent) of the agreed price.

## 9. PRICES

Unless expressly stated otherwise, all prices set out in the Order shall be understood as fixed and invariable.

Unless otherwise agreed, any bank expenses or fees due in connection with the payment shall be borne by the Supplier only if the Supplier is based outside Italy.

## 10. AUDITS - SUPPLY CONTROLS

The Purchaser shall be entitled to audit the correct and exact execution of the Supply at any time, both during processing and after the goods have been prepared. For this purpose, auditors appointed by the Purchaser and/or the End Customer shall have the right to enter the Supplier's premises during working hours, giving prior notice. If the Purchaser finds that the performance of the Supply is not proceeding in accordance with the conditions set forth in the Contract, the Purchaser may fix a period of no less than five (5) calendar days within which the Supplier shall comply with said conditions. If the set term elapses to no avail, the Purchaser shall have the right to step in directly or through a third party, charging the relevant expenses to the Supplier, or, at its option, to terminate the Contract in whole or in part and to see to its completion with appropriate means and in the appropriate manner, without prejudice, in any case, to the Purchaser's right to compensation for any damage suffered. That being the case, the Purchaser's right to suspend payments pursuant to Article 1460 of the Italian Civil Code shall remain unaffected. Audits or controls and any provisional acceptance shall not release the Supplier from its contractual obligations and responsibilities.

## 11. ACCEPTANCE OF THE GOODS

The mere delivery of the ordered goods shall not imply acceptance of the Supply. In the event of defects and/or non-conformity of the Products and Materials with the quality standards, and, if applicable, with the technical drawings and specifications, provided by the Purchaser, the Supplier shall promptly take action, following a simple request made by the Purchaser, to eliminate the defects and/or make the Products or Materials conform to the Purchaser's technical specifications. The non-conformity of the Products or Materials with the quality standards set out in the Order and/or the Supplier's failure to take timely action to eliminate the aforesaid defects and/or non-conformities shall amount to a serious default of contract and therefore cause for termination of the Contract and compensation for all damages.

## 12. WARRANTY

The Supplier warrants that its Supply is consistent and conforming with the Order, suitable for the specific use requested and free from faults and defects. Unless otherwise provided for in the Contract, this warranty shall extend for 2 (two) years from the date of delivery of the Supply.

In the event that defects and/or malfunctions are found in the Products, Materials and Services during the warranty period, the Supplier shall be obliged, within 10 (ten) days of notification, to repair or replace them at the Purchaser's option. If the set term elapses to no avail, the Purchaser shall have the right to step in

directly or through a third party, charging the relevant expenses to the Supplier, or, at its option, to terminate the Contract in whole or in part and to see to its completion with appropriate means and in the appropriate manner, without prejudice, in any case, to the Purchaser's right to compensation for any damage suffered. Repaired or replacement goods shall be warranted for the same period and under the same conditions as the original goods. It is agreed that the Purchaser shall be obliged to inform the Supplier in writing of any defects within 90 (ninety) days of receipt of the Products or Materials or, in the case of defects not immediately detectable by the Purchaser (Latent Defects), within 30 (thirty) days of discovery of the said Latent Defects.

#### **13. RISKS AND TRANSFER OF OWNERSHIP**

The risks of transport and shipment of the goods shall be entirely taken by the Supplier, unless expressly stated otherwise. All risks of deterioration of and/or damage to the goods and ownership of the goods shall be transferred to the Purchaser only upon delivery of the goods or upon delivery to the final consignee stated in the Order.

#### **14. CONFIDENTIALITY OBLIGATION**

Both parties acknowledge that all information, whether of a technical or commercial nature, relating to the Products, Materials and Services referred to in the Orders of "*Laurini Officine Meccaniche S.r.l.*" is confidential, privileged and secret information.

Consequently, the Supplier undertakes to maintain the strictest confidentiality in relation to the Products, Materials and Services and any technical confidential information that "*Laurini Officine Meccaniche S.r.l.*" will share with the Supplier for the execution of the Order and not to disclose or publicise the information in its possession, or make it known in any form whatsoever to third parties, directly or indirectly.

Any confidential information such as, but not limited to, technical specifications, documents in general and other data, which is communicated in writing or orally by one party to the other in connection with the Contract and/or individual Orders and which is qualified as confidential, shall remain confidential in accordance with the provisions of this Article.

The Supplier undertakes to notify the Purchaser, in writing, of the occurrence of any event giving rise to the disclosure of confidential information, with reasonable notice. It is however understood that, even in the event of disclosure, the Supplier shall take all precautions to minimise any detrimental effects resulting from such disclosure.

The Supplier undertakes not to reproduce, use or otherwise exploit any confidential information, trademarks, emblems or patents of the other party, with the exception of reproductions for use or exploitation agreed upon beforehand and in writing between the Parties.

Upon cessation of this Contract, for whatever reason, the Supplier may in no case disclose any information and/or news that the Supplier has become aware of while performing the Contract and/or processing the Order and shall return any information and/or written document of a confidential nature that may concern the other party to the Purchaser.

If the Supplier comes into possession of technical and commercial information relating to "*Laurini Officine Meccaniche S.r.l.*", the Supplier shall use it solely for the purpose of dealing with the Order, shall not provide such information to third parties without the prior agreement of "*Laurini Officine Meccaniche S.r.l.*" and shall return or destroy all technical documents received at the time of delivery of the Order.

The confidentiality obligation shall also extend to all employees of the Supplier and up to 5 (five) years after delivery of the Order.

#### **15. INTELLECTUAL AND INDUSTRIAL PROPERTY**

The parties represent, acknowledge and warrant that the industrial property concerning drawings, specifications and any technical and commercial documentation made available by the Purchaser are the exclusive property of "*Laurini Officine Meccaniche S.r.l.*", and, consequently, the Supplier undertakes not to disclose any information concerning production processes, production methods, formulas and anything else that is the property of the Purchaser and, in any case, not to transmit it to third parties.

Furthermore, the Supplier represents and acknowledges that the trademarks relating to the products it manufactures on behalf of "*Laurini Officine Meccaniche S.r.l.*" shall be the exclusive property of "*Laurini Officine Meccaniche S.r.l.*", without the Supplier having any rights over such trademarks and/or logos, and undertakes to inform "*Laurini Officine Meccaniche S.r.l.*" of any infringement perpetrated by third parties of patent rights, for inventions, utility and/or ornamental designs and of industrial/intellectual property rights in general, of which "*Laurini Officine Meccaniche S.r.l.*" is the owner, of which the Supplier may become aware during the execution of the Order.

It is understood that the Supplier shall not have and shall not be entitled to claim any right whatsoever to industrial and/or commercial information, even if not the subject of a patent or industrial property right, which "*Laurini Officine Meccaniche S.r.l.*" has made available in writing to the Supplier within the scope of the contractual relationship with reference to production processes and the final product. Accordingly, any confidential information made available in writing by "*Laurini Officine Meccaniche S.r.l.*" to the Supplier and eligible for any kind of industrial property protection shall not be used by the Supplier in any way for the purpose of filing and registering patent applications for invention or claiming any kind of property right.

#### **16. TECHNICAL DOCUMENTATION**

Within 2 (two) days prior to intended shipment, the Supplier shall send the technical documents as required by the nature of the Products or Services specified in the Order to the Purchaser's Quality Department. The Purchaser's Quality Department shall review the documentation and authorize the shipment. The mere authorization of the shipment, based on the technical documents sent by the Supplier, shall not imply acceptance of the Supply. The technical documents, as required by the nature of the Products or Services specified in the Order, shall in any case be supplied together with the material or in the time requested with the Order, failing which the Purchaser shall be entitled to suspend payment. Should changes or additions be necessary, the Supplier shall promptly send the technical documents, modified according to the Purchaser's requests. This technical documentation shall be delivered by the Supplier in the number of copies and language established by the Order.

#### **17. SHIPMENT**

No later than 2 (two) days prior to the scheduled shipment, the Supplier shall send the details of the packages (Packing list) to the Purchaser's Logistics Department, by e-mail, and the Packing List shall contain the Order number of "*Laurini Officine Meccaniche S.r.l.*" to which the shipment refers. The Supplier shall also state the article code of "*Laurini Officine Meccaniche S.r.l.*", the position number given in the Order, the quantity of the goods, type of packaging, number - weight - sizes for each package, specifying for each material whether the quantity delivered is the total one ordered or part thereof.

Shipments shall be made in accordance with the following instructions:

- Each batch of material shall be accompanied by a transport document, which shall be sent by e-mail to the Purchaser; for deliveries by express courier, a copy of the transport document shall be included in the packaging, in accordance with the applicable tax legislation;
- Each transport document shall relate to a single order and shall state the number, date and reference of the Order. It shall also state: the article code of "*Laurini Officine Meccaniche S.r.l.*", job order number if given in the Order, position number given in the Order, quantity, weight and sizes of the individual goods, type of packaging, number of packages and total gross weight, specifying for each material whether the quantity delivered is the total one ordered or part thereof.

#### **18. INVOICING**

Invoices shall be issued in accordance with the applicable tax legislation.

Invoicing shall be authorized by the Purchaser beforehand and shall follow each individual Purchase Order.

In the event that the Supplier issues an invoice before having completed and delivered the ordered goods and/or services to the Purchaser, the date of payment of the invoice shall in any case be calculated as of the earliest date on which the Supplier should have properly issued the invoice in compliance with the terms of the Order.

In case of any breach of this invoicing method, the Purchaser shall be entitled to dispute the invoice and to suspend payment.

#### **19. NO ASSIGNMENT OF PURCHASE ORDERS AND ACCOUNTS RECEIVABLE**

The Supplier shall not be entitled to assign any Purchase Order to third parties, even partially, unless formally authorized in writing by the Purchaser. Pursuant to Article 1260 last paragraph of the Italian Civil Code, the Supplier's accounts receivable resulting from the execution of the Order may not be assigned without the prior written consent of the Purchaser.

#### **20. PACKAGING**

The packaging of the goods covered by the Order shall be suitable for the purpose, having regard also to the destination and means of transport of the goods. Unless otherwise provided for in the Order, all costs relating to packaging shall be borne exclusively by the Supplier.

#### **21. WITHDRAWAL**

The Purchaser reserves the right, pursuant to and for the purposes of Article 1373 of the Italian Civil Code, to withdraw from the Purchase Order at any time giving the related notification by registered letter with return receipt, by fax, or by certified e-mail, at least 15 (fifteen) days before the agreed delivery date.

In that case, in return for delivery of the Supply or that part thereof made up to the date of withdrawal, the Purchaser shall pay the Supplier an amount equal to the value of the service performed up to that date.

#### **22. EXPRESS TERMINATION CLAUSE**

Without prejudice to the foregoing, the Purchaser reserves the right to terminate any Order, pursuant to Article 1456 of the Civil Code, by written notification addressed to the Supplier, when any of the following conditions applies to the Supplier:

- Breach of any obligations under Articles 7 and 11;
- State of insolvency, winding up of the Supplier, whether forced or voluntary, opening of insolvency proceedings, without prejudice to the provisions of Article 172 of the Italian Business Crisis and Insolvency Code;
- Change of ownership, change of control or substantial change in the ownership structure of the Supplier.

#### **23. TOLERANCE**

Any tolerance by the Purchaser for the default of or noncompliance with any obligation arising from the Order, as well as the non-exercise of a right or the granting of more favourable treatment, even prolonged in time, shall not be interpreted as conduct implying intent or, in any case, shall not give rise to any right not expressly provided for in the Order.

#### **24. PENALTIES FOR WITHDRAWAL**

Once the Supplier accepts the Contract, it shall be no longer possible to withdraw from it.

Any withdrawal from the Contract by intention or act of the Supplier shall entail the application of a penalty equal to the price agreed on in the Contract for the Supply of the goods increased by 10% (ten per cent), subject to the provisions of Article 7 above.

#### **25. RECOURSE**

The Purchaser shall have recourse against the Supplier for any claim for compensation or performance brought against the Purchaser by the End Customer due to facts or defects in the material supplied by the Supplier to the Purchaser.

**26. COMPLIANCE CLAUSE: COMMITMENT TO COMPLY WITH THE MODEL UNDER ITALIAN LEGISLATIVE DECREE 231/2001 AND WITH THE CODE OF ETHICS; EXPRESS TERMINATION CLAUSE**

The Supplier is aware that "Laurini Officine Meccaniche S.r.l." has adopted and implements an Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/01, along with the related Code of Ethics and Disciplinary System, and represents that it has read them on the Seller's website (<https://www.laurini.com/>) and has understood the contents thereof.

The Supplier shall abide by the principles of the aforesaid Organisation, Management and Control Model and undertakes to comply with its contents, refraining from any conduct that may give rise to any of the offences referred to in Italian Legislative Decree No. 231/2001, as amended and supplemented.

The Supplier also undertakes to comply and, where the case, to ensure that its personnel comply with all the principles contained in the aforementioned documents and with the behaviour protocols adopted by "Laurini Officine Meccaniche S.r.l." pursuant to Italian Legislative Decree 231/2001.

Any violation of the rules laid down by the aforementioned documents shall amount to serious default of this agreement. The Supplier hereby undertakes to indemnify and hold Laurini Officine Meccaniche S.r.l. harmless from any penalties or damages that Laurini Officine Meccaniche S.r.l. may incur as a result of the violation of the above-mentioned documents by the Supplier or any of its personnel and/or employees.

If the Supplier or any of its personnel and/or employees breaches the rules referred to in the previous point, and if the Supplier or any of its personnel and/or employees perpetrates any of the offences punished under Italian Legislative Decree 231/2001, "Laurini Officine Meccaniche S.r.l." shall be entitled to terminate this Contract by sending the related notification via registered letter with return receipt or via certified e-mail (Italian acronym PEC). The termination shall have immediate effect as of the date of receipt of the notification. "Laurini Officine Meccaniche S.r.l." shall also be entitled to act for compensation of any damages that have been or may be suffered.

**27. CONTROLS TO BE PERFORMED BY THE ORGANISMO DI VIGILANZA**

The Supplier undertakes to allow controls to be carried out by the *Organismo di Vigilanza* (Body in charge of the prevention of the offences under Article 6 of Italian Legislative Decree 231/01) of "Laurini Officine Meccaniche S.r.l.", subject to agreement as to the related time schedule. The controls shall comply with the applicable labour law and with the applicable legislation on personal data protection.

The Supplier is aware and accepts that the controls may also be carried out by the relevant corporate functions in the organization of "Laurini Officine Meccaniche S.r.l." or by appointed third party specialists.

The Supplier undertakes to report any cases of violation of the principles contained in the aforementioned documents to the *Organismo di Vigilanza* of "Laurini Officine Meccaniche S.r.l.", in accordance with the procedures laid down in the Code of Ethics and in the Model protocols.

**28. APPLICABLE LAW**

The Purchase Order shall be governed by and construed to all extents and purposes in accordance with Italian law, except as expressly provided in the Order.

**29. COURT OF COMPETENT JURISDICTION**

The parties expressly agree that any and all disputes that may arise between them in connection with the interpretation and/or performance and/or termination of this Contract and/or of individual Orders shall fall under the exclusive jurisdiction of the Law Courts of Parma, Italy.

**30. PERSONAL DATA PROTECTION**

With regard to the provisions on the protection of personal data, the parties acknowledge that they reciprocally exchanged the information to data subjects referred to in Italian Law 675/1996, Italian Legislative Decree 196/2003 and Article 13 of Regulation (EU) 2016/679.

Each party gives the other party consent to the processing of its data directly or indirectly, through third parties, in accordance with Italian Law 675/1996, Italian Legislative Decree 196/2003 and Regulation (EU) 2016/679, for the purposes necessary for the management of the Contract.