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## General Terms and Conditions of Purchase

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### 1. RECITALS AND DEFINITIONS

- 1.1. The General Terms and Conditions of Purchase listed hereinafter shall form an integral part of the orders sent by EGM to the Supplier and shall be applied to the relative commercial relationships unless otherwise provided in the Special Terms and Conditions of the single order. These General Terms and Conditions are also available on the website: [www.egmgroup.it](http://www.egmgroup.it).
- 1.2. In these General Terms and Conditions as well as in the Special Terms and Conditions of any single order, the words below, regardless of their use in the singular or plural forms, shall have the following meaning:
  - "EGM" and/or "Buyer"**: S.A. Eredi Gnutti Metalli S.p.A., with registered office in 25124 Brescia (Italy), Via della Volta 201;
  - "Supplier"**: any company receiving the purchasing order;
  - "Supply"**: any supply of materials, goods and/or services which form the object of the purchasing order;
  - "Order"**: any purchasing order and its possible variation;
  - "Technical Specification"**: any document defining the technical requirements of the supply;
  - "General Terms and Conditions of Purchase"**: any clause reported in this document;
  - "Special Terms and Conditions"**: any clause reported into EGM's purchasing orders.
- 1.3. Any statute or statutory provision mentioned in these Terms and Conditions shall be deemed as referred to the version in force at the time of implementation of the clauses of the General Terms and Conditions.

### 2. GENERAL PRINCIPLES / PREVALENCE

- 2.1. These General Terms and Conditions of Purchase shall form a substantial and integral part of the orders and shall be applied to any orders sent by the Buyer to the Supplier: only the Special Terms and Conditions reported in the single order shall prevail on the General Terms and Conditions of Purchase and could be an exception and/or an amendment to them.
- 2.2. These General Terms and Conditions supersede any prior agreements, arrangements, quotes and/or correspondence in respect of the subject matter hereof, including possible General Conditions of Sale of the Supplier, considered individually and as a whole, and prevail, except as otherwise agreed upon in writing, over any different or further conditions or clauses of limitation or modification, inserted, even in print copy, by the Supplier in his order confirmations, invoices or correspondence.
- 2.3. No variation or exception, even subsequent to the order, shall be valid and effective unless confirmed in writing by the Buyer.

### 3. ORDER CONFIRMATION

- 3.1. The Buyer shall receive the Supplier's order confirmation by e-mail, fax or postal service, no later than 7 (seven) days after the receipt of the order by the Supplier. The order confirmation shall be duly stamped and undersigned by the Supplier for acceptance. In default, EGM may cancel the order at any time.
- 3.2. In case the Supplier fails to return the order confirmation, the correlated EGM payment procedures could be compromised.
- 3.3. By accepting the order, the Supplier totally renounces to its conditions of sale, even if enclosed to its offer or to the order confirmation, and completely accepts all terms and conditions set forth thereto, including reference documents (GT&CP, Technical Specifications, Statements of Work etc...).

#### **4. ORDER VARIATIONS**

- 4.1. Any variation to the order shall be done exclusively in writing by EGM's Management Purchase Office and shall be completed with the correlated economic and deadline information. In particular, the Buyer shall retain the right to require to the Supplier adaptations and/or modifications of the ordered materials in case of supervening manufacturing needs: in this case, the Supplier covenants to execute them in line with the aforementioned deadline and economic instructions, where consistent with its technical and planning capabilities.
- 4.2. The Supplier may suggest variations only when deemed necessary in reason of well proven technical needs: in this case, EGM shall examine the possible positive or negative effects of such variations on prices, eventually requesting in writing a modification. However, no variations in the production of specifics object of the order could be inserted by the Supplier, unless previously authorized in writing by EGM.

#### **5. TECHNICAL SPECIFICATIONS**

- 5.1. The technical specifications indicated in the order shall be considered applicable unless otherwise agreed upon in writing. Any other documents (statements of work, drawings etc...) mentioned in the order shall be considered, to all intents and purposes, an integral part of it.

#### **6. PREPARATION AND MANAGEMENT OF MATERIALS**

- 6.1. By handling the order, the Supplier undertakes to limit the preparation of materials to quantities effectively ordered and not to assign to third parties materials manufactured following a drawing nor EGM's samples as spare parts. If such materials are assigned to third parties, in possible competition with EGM, the Buyer shall retain the right to claim from the Supplier the damages suffered in reason of the misuse of materials it has designed.
- 6.2. Where necessary, the Supplier shall adopt the most ecologic and economical process of materials' production and recycling, in relation to the best scientific and technical levels.

#### **7. SHIPPING**

- 7.1. Except for what otherwise specified in the order, packaging and shipping of the objects of the supply shall be carried out by the Supplier at its own expenses and under its liability, in order to guarantee materials' perfect integrity and full compliance with delivery terms reported in the order. In any case, shipping risks shall have to be borne by the Supplier.
- 7.2. Any shipping shall be associated to the required shipping documents reporting the following indications:
  - Order number;
  - Shipping date;
  - Code and description of materials;
  - quantity;
  - gross and net weight of packages;
  - means of shipping.

In any case, EGM's warehouse shall retain the right not to receive materials without the correlated shipping documents having the aforementioned indications.

#### **8. RECEIVING OF MATERIALS**

- 8.1. The signature on the delivery note means exclusively that the supply has been received and does not imply any acceptance which shall occur only after a successful test concerning the compliance between ordered and supplied materials as well as the absence of any defect. EGM could notify to the Supplier, even after the receipt and regardless of any possible payment of the correlated invoices, the lack of compliance of the supplied materials or the existence of defects in accordance with the following clause 11. In this case, the supply resulted defective or anyway not compliant

with the order, shall be rejected and put at Supplier's disposal or, in alternative, returned to it with charging of the correlated shipping costs.

## **9. DELIVERY TERMS – PENALTIES**

- 9.1. The delivery terms concerning the materials indicated in the orders as well as in any further contractual documents must be considered compulsory and essential. Any variations to the delivery plan, previously discussed and agreed upon between the Buyer and the Supplier, must be done in writing.
- 9.2. If the above terms fail to be observed, not due to a *force majeure* event, a penalty equal to 2% (two percent) of the total amount indicated in the order shall apply for each complete week of delay up to a maximum of 10% (ten percent), unless otherwise provided in the order. This is without prejudice to EGM's right to cancel the purchaser order by sending a registered mail with return receipt or fax or certified mail to the Supplier as well as to source from other suppliers the ordered materials not delivered within the deadline, claiming even the compensation of the greater damages suffered as well as the recovery of any additional costs incurred in buying products from other sources.
- 9.3. Except for what expressly provided in the order, materials shall not be delivered in split consignments.
- 9.4. In case of early delivery as compared to terms indicated in the order, EGM shall retain the right to return the delivered materials charging the Supplier for the relative costs or to keep them making the payment procedure starting from the contractual delivery date. EGM shall also retain the right to request advances/postponements of the supplies. The Supplier shall undertake to satisfy this request, without any additional costs for EGM, where consistent with its organizational and management capabilities.

## **10. FORCE MAJEURE**

- 10.1. The delivery terms could be extended in case of any failure to perform the purchasing order due to *force majeure* events (such as, for example, earthquakes, fires, floods, epidemics etc...). The Supplier shall immediately give written notice to EGM of the cause of such impediment and, in concomitance with the end of it, shall immediately resume the order execution. Whereas the *force majeure* event causes a delay in deliveries longer than 30 (thirty) days, EGM shall have the right to cancel the order at any time by sending a registered mail with return receipt or fax or certified mail to the Supplier.

## **11. INSPECTION AND TEST**

- 11.1. The Buyer retains the right to make inspections on delivered materials during their use, processing, transport and stock in order to check their compliance with contractual requirements as well as with terms and conditions and quantities mentioned in the order. The ordered materials shall be delivered to the "Receiving" warehouse or to any other destinations specifically indicated by EGM, subject to EGM's quantity and quality inspections, and shall be deemed as accepted only once the aforementioned inspections, made by EGM's "Quality Check" Service, resulted successful.
- 11.2. In case of split consignments, the eventual lacking of compliance of a single lot of the order shall grant EGM the faculty to cancel the whole order neither to receive the subsequent lots, even if complaint with the same order. If EGM could not promptly find on the market the controversial materials, it shall provide directly or indirectly to make the materials themselves compliant with the provided requirements, charging the Supplier for the correlated business costs incurred and without voiding, for this reason, the Supplier's warranties and representations.
- 11.3. The Supplier could send members of its own staff at EGM's plant, upon agreement with the Buyer, in order to view tools and proceedings used during the receiving inspections and the final approval test. Whereas the tested materials result not compliant with the order, the Buyer shall notify it to the Supplier by certified mail or fax, claiming for replacement of such materials at the same terms

and conditions and for their return at Supplier's expenses. If the Supplier fails to promptly do so, the Buyer shall have the faculty to cancel the order and terminate the correlated contract.

- 11.4. The preliminary test shall have a releasing effect with exclusive regard to delivery. Materials shall be deemed as definitively approved only after execution of a successful test at the installation place.

## **12. WARRANTIES AND LIABILITIES**

- 12.1. The Supplier represents and warrants that it has good, full and undisputed title of exclusive ownership of the supplied materials and it is free to lawfully transfer and dispose of them. Moreover, the Supplier represents and warrants that supplies are compliant with the orders, suitable for the specific use requested and free from both apparent and hidden defects.
- 12.2. Any claim concerning the supplies' non-compliance shall be notified by the Buyer to the Supplier: as an exception to art.1495 of the Italian Civil Code, the defect notification shall be made not later than 30 (thirty) days from the delivery date, for "recognizable defects", while from the discovery date for "hidden defects". Any defects discovered while unpacking shall be equalized to hidden defects. The aforementioned non-compliance notification shall be deemed as accepted by the Supplier if not disputed within the following 5 (five) days from its receipt.
- 12.3. The Supplier covenants to indemnify and keep the Buyer indemnified against any damages, costs or claims, even filed by third parties, caused or resulting from the supplies' defectiveness, unsuitability and/or unreliability, and also to compensate the Buyer for any damages suffered.
- 12.4. The Supplier represents and warrants that the supplied materials have been designed and manufactured in accordance with the most innovative safety and hygiene criteria in the workplace, complying with statutory laws, good techniques and specifications requested by the Buyer.

## **13. PROHIBITION OF ORDERS AND CREDITS ASSIGNMENT**

- 13.1. The Supplier could not assign to third parties, even partially, the purchasing orders unless previously authorized in writing by the Buyer.
- 13.2. According to art.1280, last subsection, of the Italian Civil Code, no Supplier's credits deriving from the order execution could be assigned without the Buyer's previous written approval.

## **14. ORDER CANCELLATION**

- 14.1. EGM retains the right to cancel a purchasing order at any time by registered mail with return receipt or fax or certified mail, giving advice notice to the Supplier at least 30 (thirty) days before. In this case, the Buyer shall pay to the Supplier, in reason of the delivery of materials and/or the documentation provided until the cancellation date, an amount equal to the *value*, at contractual prices, of the service executed.
- 14.2. If EGM has specifically and formally requested to the Supplier a particular stock of materials, to be used only for its own needs and not marketable outside, EGM covenants to collect it and/or pay its value.

## **15. TERMINATION**

- 15.1. If the Supplier infringes or fails to comply with one or more provisions of these General Terms and Conditions or of the Special Terms and Conditions, the Buyer could terminate any orders by a registered mail with return receipt or a fax or a certified mail to the Supplier, except for EGM's right to claim compensation for any greater damages suffered. The Buyer retains also the right to terminate any orders, according to art.1456 of the Italian Civil Code, by a registered mail with return receipt or a fax or a certified mail to the Supplier in the following cases:
- change of ownership, control or substantial modification of the Supplier's shareholding structure;

- deterioration of the Supplier's financial/economic conditions which compromise the supplies' regularity;
- fraud or gross negligence in the supplies execution which damages the Buyer's imagine and/or business interests;
- judicial proceedings against the Supplier which could compromise and/or damage its imagine and reputation or the Buyer's imagine and reputation;
- wind up, dissolution or insolvency of the Supplier's company or its subjection to any bankruptcy procedures of any type (included any debt restructuring agreements or out of court compositions with creditors).

## **16. PRICES**

- 16.1. All prices reported in the orders, unless otherwise expressly indicated by EGM, shall be deemed as fixed and invariable.
- 16.2. On its side, the Supplier states to have been fully informed about all time conditions and to have properly considered the relative circumstances which could anyhow influence prices.

## **17. INVOICES**

- 17.1. All invoices shall have to be issued in compliance with current tax laws and include the following information:
- number of EGM's order;
  - number of the shipping note;
  - list of the supplied items equipped with the same information and references reported in the order;
  - payment conditions.

The Supplier covenants to issue the invoices with a date non preceding the relative supplies. The Supplier shall bear any costs concerning cash orders.

## **18. EQUIPMENT, MATERIALS, PROJECTS AND EGM'S DESIGNS**

- 18.1. Any molds, prototypes, specific and control equipment, samples, designs and specifications, provided by EGM to the Supplier where requested, shall remain of EGM's exclusive property and shall have to be used by the Supplier only for the purchasing order execution and also returned to EGM in good state of conservation, once the order is completed. In default, The Supplier shall be charged for any costs concerning their fixing and/or replacement.
- 18.2. Upon the final testing, the Supplier shall consign the designs updated in terms of "as manufactured".

## **19. CONFIDENTIALITY AND NON-COMPETITION CLAUSE**

- 19.1. The Supplier shall keep strictly confidential and secret any kind of information, oral and/or written, technical and commercial, provided directly or indirectly by the Buyer in respect of the object of the order. Similarly, the Supplier shall not disclose the aforementioned information to third parties neither use them for different purposes nor copy and/or reproduce any documents, unless expressly authorized in writing by the Buyer.
- 19.2. In case of production based on a Buyer's prototype, design and/or sample, the Supplier covenants not to produce and distribute, directly or through a third party or company, products which are the same and/or similar to the object of the order.
- 19.3. Confidentiality duties are binding for the Supplier as well as for its successors and assignees and shall last indefinitely, whatever variations of its corporate name and/or shareholder structure should intervene.

## **20. SUPPLIER'S INDUSTRIAL PROPERTY**

20.1. The Supplier represents and warrants that the production, use and distribution of the supplied materials do not infringe any third parties' intellectual or industrial property rights. For this purpose, the Supplier expressly releases the Buyer and its clients from any claims and/or compensation requests coming from third parties due to the alleged infringement of patents, industrial property rights, trademarks, copyrights and other similar rights protecting know-how or industrial secrets, guaranteeing that both use and distribution of the materials object of the order are compliant with laws, in Italy and abroad, as well as undertaking any costs necessary to the prompt settlement of third parties' claim and to indemnify any possible damages suffered by the Buyer.

## **21. ETHICS CODE AND "MOG" – PRIVACY LAW**

21.1. The Supplier covenants to follow the principles provided in the Ethics Code and in the Organization, Management and Control Model ("MOG") set forth by the Legislative Decree n.231/2001, adopted by the Buyer and available on the website: [www.egmgroup.it](http://www.egmgroup.it) (section "model 231"), refraining from any unlawful conducts.

21.2. Both Buyer and Supplier mutually guarantee to comply with Privacy laws as provided by the Legislative Decree n.101/2018 (issued to implement the EU Regulation 2016/679). The supplied personal data shall be processed exclusively for the purposes concerning the purchasing orders management and/or the eventual management of contracts.

## **22. UNLAWFUL BROKERAGE AND EXPLOITATION OF WORK**

22.1. The Supplier declares to know and be aware of the provisions set forth by statute n.199/2016 (the "Statute") which introduced the crime of "unlawful brokerage and exploitation of work" (art. 603-bis of the Italian Criminal Code) – however, quoted by art.25-quinquies of the Legislative Decree n.231/2001- and condemns manpower recruiting and employment procedures aimed at labor exploitation, undertaking to shape its behavior correlated to the execution of both orders and the relative contract, at transparency and fairness principles as well as to a strict compliance with the aforementioned Statute, stating to have been never subjected thus far to sanctions provided for such crime.

22.2. If the Supplier fails to comply with any provisions of the aforementioned Statute, the Buyer shall cancel the orders and terminate with immediate effect the correlated contract, according to art.1456 of the Italian Civil Code, without prejudice to compensation of any damages eventually caused to the Buyer, such as, for example, the damages resulting from the Buyer's subjection to sanctions provided by the mentioned Legislative Decree n.231/2001.

## **23. GOVERNING LAW AND ARBITRATION**

23.1. These General Terms and Conditions of Purchase as well as any orders and/or accessory contracts shall be exclusively governed by and construed in accordance with the laws of Italy.

23.2. Any disputes arising out of or in connection with these General Terms and Conditions of Purchase or with any orders and/or accessory contracts shall be referred to and finally resolved by ritual arbitration in accordance with the Rules of Arbitration of the Chamber of Commerce of Brescia (Italy). The number of arbitrators shall be 1 (one) and shall be appointed in accordance with the aforementioned Rules. The language of arbitration shall be Italian and the place of arbitration shall be Brescia (Italy).