

GENERAL TERMS AND CONDITIONS OF PURCHASE

1. Scope of application:

These General Terms and Conditions of Purchase are applicable to each Purchase Contract (hereinafter also the "**Contract**") entered into between SARO S.r.l. (hereinafter also the "**Buyer**") and the supplier of SARO S.r.l. (hereinafter also the "**Supplier**") and constitute an integral and essential part of the Purchase Order (hereinafter also the "**Order**"), unless otherwise stipulated in the Order and/or Contract.

Any changes or exceptions, even after the Order/Contract, shall only be valid if expressly confirmed in writing by the Buyer.

For the purposes of this document, the term "Contract" is defined as the set of all the contractual documents governing the relationship between the Buyer and the Supplier, including the Purchase Order, these General Terms and Conditions of Purchase and the Purchase Documents as defined in article 2) below. Conversely, the term "Order" refers to the order issued by the Buyer for the purchase of the products, which constitutes the document summarising the essential elements of the Contract.

2. Purchase Documents:

The term "Purchase Documents" means the list of all technical and commercial documents made available by the Supplier and/or the Buyer with respect to the Purchase Order and which the effectiveness of the Order is subject to. This notion includes but is NOT limited to a description and/or technical data sheet, including commercial terms and conditions, one or more drawings and/or technical specifications and any other technical documentation that is made necessary by the purpose of the Order. The Purchase Documents form an integral part of the Contract, in accordance with Article 1) of these General Terms and Conditions of Purchase.

3. Supplier's responsibility for the correctness of the Data, Information and Documentation provided thereby: The Supplier shall be held fully responsible for the correctness and timeliness of the Documentation supplied to the Buyer, including technical documents, information, descriptions and any other data submitted, based on which such Buyer has carried out engineering activities and/or drawn up technical documentation in general that is essential for the completion of the purpose envisaged in the Order.

Any change in the purpose envisaged in the Purchase Order due to errors, omissions, deficiencies in the Documentation submitted by the Supplier shall entitle the Buyer to demand the additional supply of any parts that may be missing due to the aforementioned errors and that are necessary for the purpose of achieving the originally envisaged purpose.

4. Effectiveness of the Contract:

The Purchase Contract becomes effective upon the issuance of the Purchase Order by the Buyer.

5. Price:

The agreed Price includes any and all payments due by the Buyer to the Supplier for the fulfilment of the purpose of the supply as defined in advance in the Purchase Documents.

Valid Prices are those specified in the Purchase Order, to be understood as fixed and invariable for the products specified in the Purchase Order.

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The Price is established taking into account the "Vendor List" (list of qualified suppliers/subcontractors) where it exists and is applicable.

The agreed Price is to be considered in the currency in force with the Buyer, as specified in the Purchase Order (euros).

6. **Delivery:**

The delivery of the products shall take place according to the terms specified in the Purchase Order, which are to be understood as mandatory and essential pursuant to Article 1457 of the Italian Civil Code. The supply must be delivered to the place specified in the Order and in such a way that the products are not damaged. The products shall be duly delivered along with the **Transport Documents** required by the law in force at the time of delivery. In addition to the information required by law, these documents **must include the Order number**. If the delivery refers to several separate Orders, a single Transport Document may still be issued, provided that it clearly refers to the Order numbers the delivery refers to.

7. **Terms of payment:**

Payment shall be made according to the terms set out in the Purchase Order. In any case, payment is strictly subject to acceptance of the supply by the Buyer.

If payment terms have **NOT** been defined in advance in the Order, the following Terms shall apply: **BANK TRANSFER 90 DAYS EOM**.

8. **Warranty:**

The Supplier warrants that the supply corresponds in quantity, quality and type to what is set forth in the Contract and in the Purchase Order, and that it is free from defects that could make it unsuitable for the use it is intended for pursuant to and for the purposes of Article 1490 of the Italian Civil Code.

The Buyer shall be entitled to report any defects in the supply within **30 days** from delivery if apparent, or from discovery if hidden.

The Products are guaranteed for a period of **one year** from the date of acceptance of the supply by the Buyer unless otherwise specified in the Purchase Order.

During this period the Supplier agrees to carry out all modifications, repairs and replacements under its own responsibility and at its own expense that are necessary to correct any errors, defects or deficiencies in the supply, replacing the goods delivered with others that comply with the warranty provided if the Buyer so requests.

For products or parts thereof that are replaced and/or repaired pursuant to the preceding paragraph, a new warranty period of **one year** shall commence from the time of their acceptance.

If the Supplier is unable to provide an adequate remedy within a reasonable time or within the time required by the Buyer, the latter shall be entitled to repair or replace the defective goods itself or to have them repaired or replaced by a third party and to charge the Supplier for the costs thereof, or to wholly or partially terminate the Contract at its sole discretion. Any supply that is wholly or partially defective, incomplete and/or unsuitable for use shall be held by the Buyer and shall remain at the Supplier's disposal for subsequent joint inspection, to be carried out within **15 days** of the Buyer's communication to the Supplier.

9. **Penalty clause:**

- **PENALTY FOR LATE DELIVERY:** In the event of late delivery with respect to the terms set forth in the Contract and/or Purchase Order, confirmed by the Supplier, the Supplier shall

be liable to the Buyer for a sum by way of penalty equal to **1%** of the entire value of the Order for each week of delay. In any case, said penalty shall not extend beyond the maximum limit of **10% of the Contract's value**.

- **PENALTY FOR FAILURE TO PERFORM:** in the event of non-performance of the services covered by the Contract and/or the Purchase Order, the Supplier shall be required to pay the Buyer a sum by way of penalty equal to the amount specified in the Contract and/or the Purchase Order, or **100% of the Contract's value** if not otherwise specified.

The payment of the aforementioned penalties shall be chargeable to the Supplier without the Buyer having to prove the existence of damages resulting from the delayed delivery and/or non-performance, pursuant to and for the purposes of Article 1382 of the Italian Civil Code.

10. Transfer of ownership:

Ownership of the products is transferred upon their **Delivery** by the Supplier to the Buyer, unless otherwise agreed in writing by the parties.

11. Withdrawal:

The Buyer shall be entitled to withdraw from the Contract in the cases envisaged by law or by the Contract itself.

The Buyer may also withdraw from the Contract if insolvency or liquidation proceedings are initiated against the Supplier, upon written notice to the Supplier.

In the event of termination of the Contract, the Buyer shall only be required to pay for the services duly performed up to that time by the Supplier, unless otherwise agreed to in writing by the parties.

12. Confidentiality:

Except as otherwise agreed to in a separate confidentiality agreement, for a period of **5 years** from the date of presentation the Supplier agrees to keep strictly confidential all the information that it learns of directly or otherwise in the course of and/or by reason of the performance of the service covered by the Purchase Agreement, and in particular all information of a commercial and/or business nature including but not limited to price and/or payment terms, formulas, company know-how, ideas, drawings, inventions liable to be the subject of a patent and/or registration, information stored digitally/electronically, orally and/or in writing ("**Confidential Information**").

The Confidential Information shall not be disclosed to third parties, not even in part, unless disclosure is necessary for the performance of the Contract or to comply with legal obligations.

13. Inspections and Controls:

After due notice to the Supplier, the Buyer is authorised to make inspection visits to the latter and/or to sub-suppliers at any time in order to verify the quality standards of the supply and the Order's progress. To this end, the Supplier agrees to guarantee free access to its premises and those of any third parties, subject to prior notice.

The Supplier also agrees to perform the checks, tests and inspections requested by the Buyer, showing the relevant documentation and the results of the tests performed if necessary.

If upon completion of the inspections of the Supplier's premises the Buyer finds that the execution of the supply is not proceeding in accordance with the established conditions and/or does not comply with the agreed quality standards, the Buyer shall be entitled to take action directly or through a third party, charging the relevant expenses to the Supplier, or to fully or partially terminate the Contract at its sole discretion.

14. Insurance:

The Supplier agrees to take out appropriate insurance policies to cover the risk of civil liability that may arise from total or partial non-fulfilment of its obligations and all related risks, including the risk arising from the supply of defective products and the risk of injury and/or damage to persons or property including its own and/or that of third parties consequent or in any case related to the activity carried out by the Supplier for the fulfilment of the Contract, pursuant to Article 1917 of the Italian Civil Code. The Supplier also agrees to provide the Buyer with copies of the aforementioned insurance policies at the Buyer's request.

15. Force majeure:

The occurrence of an event or circumstance (hereinafter also referred to as "**Force Majeure Event**") that prevents a party from performing one or more contractual obligations constitutes Force Majeure, if and to the extent that the party suffering the impediment provides evidence: i) that the impediment is beyond its reasonable control; ii) that it could not reasonably have been foreseen at the time of the conclusion of the Contract; iii) that the effects of the impediment could not reasonably have been avoided or overcome by the party concerned.

With regard to the conditions set out in letters i) and ii) there is a presumption as to their existence if the following events occur: a) war (whether declared or not), hostilities, invasion, act of a foreign enemy, military mobilisation; b) civil war, riot, rebellion and revolution, military force or usurpation of power, insurrection, act of terrorism, sabotage or piracy; c) restriction of trade or currency movements, embargo; d) lawful or unlawful actions of authority, compliance with laws or governmental orders, expropriation, compulsory purchase, confiscation of property, requisition, nationalisation; e) calamity, epidemic, natural catastrophe or extreme natural event; f) explosion, fire, destruction of equipment, prolonged suspension of transport, telecommunications or electricity; g) generalised social conflicts, such as in particular boycotts, strikes and lockouts, sit-down strikes, occupation of factories and buildings. Conversely, the condition under letter iii) must in any event be proved by the party concerned.

The party that successfully invokes this clause shall be released from the obligation to perform its contractual obligations, and from any liability for damages or breach of contract from the moment that the Force Majeure Event prevents performance, provided that notice is given to the other party without delay. In the absence of prompt notice, the exemption shall take effect when the notice reaches the other party. The latter may suspend the performance of its obligations as from the date of notice, but only if the performance to be suspended arises from obligations that were not performed by virtue of the Force Majeure Event and the performance can be suspended. If the Force Majeure Event giving rise to the impediment lasts longer than **six months** either party shall be entitled to terminate the Contract by giving reasonable notice to the other, unless otherwise agreed to in writing by the parties.

16. Applicable law and Jurisdiction:

The Contract is subject to Italian law. Any dispute relating to these General Terms and Conditions of Purchase and/or the Contract shall be submitted by the Parties to the Court of Milan (IT) having jurisdiction.

Pursuant to and for the purposes of Articles 1341 and 1342 of the Italian Civil Code, the Supplier expressly declares to approve and accept the clauses set out in the following points of the General Terms and Conditions of Purchase above:

3) Supplier's responsibility for the correctness of the Data, Information and Documentation provided thereby; 4) Effectiveness of the Contract; 5) Price; 6) Delivery; 7) Terms of payment; 8) Warranty; 9) Penalty clause; 10) Transfer of ownership; 11) Withdrawal; 12) Confidentiality; 13) Inspections and Controls; 14) Insurance; 15) Force majeure; 16) Applicable law and jurisdiction.

SARO Srl
Viale San Gimignano 35 - 20146 Milan - Italy

Acceptance of the Purchase Order shall be deemed as acceptance also of these General Terms and Conditions of Purchase.

SARO SRL**Sede legale**

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Sede operativa

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