

GENERAL TERMS AND CONDITIONS OF PURCHASE AND SUPPLY

General terms and conditions of purchase and supply of Rieter Morando s.r.l. , Strada Rilate 22 – 14100 Asti – Italy

1. Scope and Applicability

- a) These General Terms and Conditions of Purchase (hereinafter: “Terms and Conditions”) apply to the purchase of Goods and/or Services by Rieter Morando (hereinafter: “the Buyer”) and its Suppliers (hereinafter: “the Supplier/s”).
- b) Orders and purchase contracts signed with the Buyer shall be governed exclusively by these Terms and Conditions.
- c) Any modification or addition to these Terms and Conditions, as well as any other terms and conditions of purchase of the Supplier/s shall be accepted by the Buyer in written form.
- d) In case of conflict between these Terms and Conditions and other possible terms included in the orders issued by the Buyer, the latter shall prevail.

2. Orders

- a) Purchase orders and contracts, as well as any additions or modifications thereto, shall be issued in written form. To this end, only documents sent via fax or email are considered written.
- b) Any verbal agreements must be reported in written form by the Buyer to be valid.
- c) The scope of the order consists of goods description, technical specifications if there are any, quantity, price, and delivery terms besides any other specific terms and conditions issued.
- d) Quotations issued by the Supplier/s are free unless otherwise agreed in writing.

3. Order confirmation

- a) The Supplier/s shall undersign Orders within 5 working days upon receipt.
- b) The contract shall be considered concluded once the Buyer receives the order confirmation with no modifications or additions compared to the original order.
- c) The commencement of the contract by the Supplier/s shall be considered tacit acceptance of the Buyer’s Order.
In that case, following section 2 of Article 1327 of the (Italian) Civil Code, the Supplier/s must notify the commencement of the contract to the Buyer. Otherwise, the Buyer may claim damages from the Supplier/s.

4. Withdrawal from the order

The Buyer may withdraw the order until the order is confirmed according to Article 3.1 or the commencement notice according to Article 3.2.

5. Transfer of risk

- a) Unless otherwise stated in the single purchase orders, delivery shall be carried out customs cleared following INCOTERMS 2021. The Supplier/s shall bear all risks, even appointing a carrier or a freight forwarder.

- b) The same conditions shall also apply in the delivery of Goods or repair or replacement Services of Goods or Services originally supplied.

6. Delivery terms, penalties, and default interest

- a) Unless the parties agree otherwise, delivery terms stated in the purchase order are mandatory.
- b) In case of delay, force majeure excluded, the Buyer shall be entitled to require the Supplier/s a payment of a penalty amounting to one percent (1%) up to max ten percent (10%) of the net price of the Goods or Service for each day of delay in delivery. This is not detrimental to the Buyer’s right to require a claim for damages due to the Supplier’s delay.
- c) In case of more than 15 days of delay, the Buyer shall have the right to withdraw the contract.
- d) Without prejudice to the right to receive the penalty amount according to Article 6.b, if the penalty does not fully cover the damage, the Buyer shall be entitled to require a claim for any further damages.
- e) The Buyer reserves the right to refuse early deliveries compared to the agreed time limit. If the Buyer refuses an early delivery, the Supplier/s shall cover all charges e.g., costs for returning the Goods.
- f) Default interests are to be paid to the Supplier/s starting from sixty (60) days of delay from the date limit stated on the invoice. The Supplier/s shall be entitled to pay default interests amounting to 1% below the reference rate.
- g) If the Buyer has to pay default interests, the payment will be in installments.

7. Delivery

- a) The Buyer may reject deliveries or supplies different from specifications. They will be accepted only upon the Buyer’s consent in written form.
- b) If the order or the contract includes the installation or start-up by the Supplier/s, this last shall be charged with any indirect costs, e.g., shipping costs.
- c) The Supplier/s must notify the Buyer of any difficulties that might delay delivering Goods or Services within the agreed time limit. Nevertheless, this obligation shall not prejudice the right of the Buyer to require a claim for any damages resulting from these difficulties.
- d) Upon the Buyer’s request, the Supplier/s shall provide all the documentation required for the correct use of the Goods.

8. Packaging

- a) The Buyer reserves the right to require, for each order, a specific packaging with which the Supplier/s shall comply. In the absence of indications, the Supplier/s shall provide a standard packaging

that guarantees the integrity of the Goods with proper packaging size and shipping.

- b) In cases of damages like breakage, deterioration, or dent due to packaging defects, the return will be charged to the Supplier/s, whatever returning conditions are.
- c) The price indicated in the order is considered inclusive of all packaging costs.

9. Ownership

Unless the parties agree otherwise, ownership and risk of the Goods pass to the Buyer at the time of receipt of the Goods following Article 5 of this contract.

10. Inspections, checks, acceptance, warranty

- a) The Buyer reserves the right to inspect and check the supplies throughout the production process and check the production process itself at any time. If inspections and checks results do not comply with the Buyer's quality expectations compared to what was ordered, the latter shall notify the Supplier/s within a few days after the inspection. The Supplier/s shall take the necessary actions to ensure the compliance of the Supplies (without any charge for the Buyer). The Buyer will have the right to require and carry out further checks and inspections.
- b) Any inspections and checks carried out without the Buyer's presence may not be considered acceptance of the Goods. Equally, the sole delivery of the Goods does not mean the acceptance of the same. The Buyer may test the Goods up to twenty days after delivery. If the Buyer detects faults or defects or non-compliance shall be entitled to require the Supplier/s to replace the Goods delivered, the payment of penalties or compensations.
- c) The Buyer has the right to remedy directly the defects found at the Supplier's expenses, in case of imminent damages or when immediate actions are required to limit damage or when the Supplier/s agrees the Buyer to provide for the remedy directly.
- d) The Buyer's claim to remedy the quality defect lapses 24 months after the Buyer acceptance of the delivery unless both parties agree otherwise in written form. It shall be sufficient for the Buyer to support his claim if the quality defect has been reported within the aforementioned period.
- e) If a quality defect occurs after a transfer of risk within the time limit period as stated in section 10.d, it is assumed that the quality defect already existed at the time of the transfer of the risk, unless this is incompatible with the nature of the Good or with the quality defect.
- f) If any modification is required, the Buyer shall schedule a reasonable deadline to the Supplier/s within which the modification has to be fixed. If the Supplier/s does not remedy a quality defect reported within the agreed time limit, the Buyer may remedy directly on the account and risk of the Supplier himself or may charge third parties. The Buyer has furthermore the right to withdraw from the contract.
- g) In the event of ownership defects, the Supplier/s indemnifies the Buyer and the Buyer's customers from third-party claims. In the event of ownership defects, it is applied a limitation period of 10 years.

11. Product liability and warranty

- a) The Supplier/s is solely responsible for any damage to persons and properties caused by the Goods delivered if caused by manufacturing defects or wrong information on the user manual.
- b) The Supplier/s shall take out adequate insurance policies to cover its civil liability caused by a defective product and provide the insurance documentation upon the Buyer's request.
- c) If the scope of the supply is the processing of Goods delivered by the Buyer, the Supplier/s will be required at the request of the Buyer, to provide documentary evidence of the stipulation of an appropriate insurance policy to cover the risks arising from theft and fire.
- d) The provisions of this Article will remain valid also after the termination or expiration, for any reason, of the Terms and Conditions.

12. Industrial and intellectual property rights

- a) The Buyer retains the ownership of any industrial and intellectual property right related to projects, drawings, ideas, processes, methods and inventions (patentable or not), know-how, skills, facilities and all the descriptive technical documentation given to the Supplier/s to the execution of the Order.
- b) Therefore, the delivery of any document in any form, paper or electronic, by the Buyer cannot in any way confer on the Supplier/s, nor on any successor in title of the latter, expressly or implicitly, any license of any industrial or intellectual property right of the Buyer or its licensors, unless otherwise agreed in writing between the parties.
- c) The Supplier/s is not allowed to reproduce manuals, drawings, technical specifications, other specifications, methods, or documents of the Buyer unless the Buyer authorizes otherwise in written form. In case of violation of this Article, the Buyer shall be entitled to compensation for the consequential damages.
- d) The Supplier/s guarantees the Buyer full indemnity against claims of third parties in the event that the documentation supplied violate patents or other intellectual and industrial property rights of third parties.
- e) The Supplier/s also guarantees that no proceedings are pending (against him) for violation of these rights concerning the Products.
- f) If the Supplier/s does not have the full right of industrial and intellectual property, he undertakes to obtain the license of use and to provide indemnity.
- g) The provisions of this article shall remain valid after the termination or expiry, for any reason, of the General Conditions.

13. Prices

- a) The prices indicated in the contract are fixed.
- b) The prices of the products are indicated in the orders and include taxes, transport and insurance charges, customs duties, packaging, transport and delivery costs according to Articles 5, 6, 7 and 8.
- c) The amount of compensation for the products and/or services supplied will be agreed separately in each order or contract; the agreed prices cannot be changed, unless otherwise agreed in writing, expressed on a case-by-case basis. Any additional costs

will therefore be recognized by the Buyer only if previously approved and proven in writing.

- d) The amount will be due within the period indicated in the Supplier's invoice.
- e) Value added tax (VAT) is excluded, unless otherwise specified.

14. Invoicing and clearing

- a) The Supplier/s will issue invoices for the products indicated in the orders on a date not earlier than the delivery date.
- b) Invoices shall contain a reference to the order number and indicate the quantity and description of the products.
- c) Each document accompanying the products shall contain the order number and the product code of the Buyer, in order to allow the identification and acceptance of the Products.
- d) The Buyer may suspend the payment of invoices not bearing the order number or containing incorrect indications. The Buyer may offset any sum due by the Supplier/s to the Buyer for any reason, including for damages, even if not dependent on the same titles as the invoice itself and even if the Buyer's credit is not certain, liquid and payable.

15. Assignment of credit

The Supplier may not assign its claims against the Buyer, or have them collected from third parties without the prior written consent of the latter.

16. Suspension of payments

In accordance with Article 1460 of the Italian Civil Code, if the Supplier is in breach of any of the obligations contained in these General Conditions, the Buyer has the right to suspend payments.

17. Withdrawal from the contract

The Buyer shall have the right to withdraw from the General Conditions or from individual orders by means of written communication to the Supplier/s in the event of:

- a) The Supplier/s is the subject of insolvency proceedings
- b) the Supplier/s has not fulfilled any of its obligations arising from the General Conditions or orders despite the fact that a few days / weeks have passed since the receipt by the Supplier/s of a warning to fulfill sent by the Buyer, without prejudice to the right to compensation for damages suffered by the Buyer
- c) in case of delay in delivery, in accordance with Article 6.c.
- d) in the event of force majeure, in accordance with Article 18.c.

18. Force majeure

- a) The parties shall not be liable for the delay or non-performance of the obligations to which they are bound due to unforeseeable events and beyond their direct control. This includes, among others: natural events, including earthquakes and floods, civil or military unrest, fires, epidemics, wars, insurrections, embargoes and energy restrictions.
- b) In case of force majeure, the delivery dates of the Products may be postponed for the time necessary to eliminate the cause of the delay.
- c) During such events, the Buyer shall have the right, without prejudice to any other right, to withdraw in whole or in part from

the supply contract, if such events have a non-negligible duration and the Buyer's needs are considerably reduced for any reason.

19. Secrecy

- a) The Supplier/s shall keep secret any information of a commercial and technical nature made available by the Buyer (including data that can be learned from objects, documents, or software and any other information or experience), as well as the results of the work carried out under the contract, except as already of public knowledge.
- b) The Supplier/s shall be liable for any breach by the persons to whom such information is disclosed at the Supplier's premises for the purpose of making supplies to the Buyer.
- c) The Supplier/s shall refrain from any form of use of such information, without the written consent of the Buyer. Furthermore, at the request of the Buyer, all information, as well as the goods and tools given in use by the Buyer must be immediately returned or provenly destroyed.
- d) Only a written declaration by the Buyer can release the Supplier/s, in whole or in part, from one of the obligations referred to in Art. 19.1
- e) Therefore, the Supplier/s undertakes not to disclose such information to third parties, not to disclose it or use it for purposes other than the execution of the order or any other ones authorized in writing by the Buyer.
- f) The Supplier/s undertakes not to disclose to third parties, unless consented by the Buyer, the existence of contracts or purchase orders or commercial relations with the Buyer.
- g) This obligation of confidentiality also lasts after the termination or expiry, for any reason, of the General Conditions.

20. Overextend clauses validity

The following clauses continue to be valid even after the termination and / or expiry of the General Conditions and orders: Article 11 (Product liability and insurance), Article 12 (Industrial and Intellectual Property Rights), Article 19 (Secrecy).

21. Ineffectiveness of clauses

Any ineffectiveness of the other clauses of these General Conditions or subsequent supplementary agreements will not result in the invalidity of the other conditions. The parties will agree on a replacement clause that reflects as much as possible the economic intent.

22. Applicable law and jurisdiction

- a) These General Conditions and any contract or order between the Buyer and the Supplier/s are subject to Italian law, with the exclusion of the application of the Vienna United Nations Convention on the International Sale of Goods, the Hague Convention on the Uniform Law on the International Sale of Goods, and other rules of private international law relating to the law applicable to the sale of the Products.
- b) All disputes arising from or connected with these General Conditions and with all contracts or orders concluded between the Buyer and the Supplier/s must be definitively and exclusively resolved by the Court of Asti.

23. Environment, occupational health and safety and other management systems

The Supplier/s guarantees that his company operates with management systems approved for the environment, occupational health and safety and others, preferably complying with DIN EN ISO 9001: 2015, DIN EN ISO 14001: 2015 or DIN EN ISO 50001: 2011.

In particular, we expect the Supplier/s to act in an environmentally friendly and energetic way, respecting the following points:

- a) Provision of EU safety data sheets for raw materials, consumables and supplies on first delivery and thereafter at least once a year, and after each modification of the safety data sheets.
- b) Compliance with the relevant standards on environmental protection and occupational safety and health.
- c) Motivation of all employees of his company to implement environmental protection measures to promote eco-responsible and energy-conscious behavior.
- d) Delicate use of resources in production processes.
- e) Development of ecological and energy-saving products with long service life and prevention/ reduction of polluting production processes, also reducing the packaging material for shipping.
- f) Commitment to the ecological disposal of production waste.
- g) Energy use with the highest possible contribution of renewable energy.
- h) Use of vehicles according to Euro 6 or higher and optimal use of vehicles.

24. Reference to the General Data Protection Regulation

- a) To the best of all necessary to fulfill the contract and to adopt pre-contractual measures, we may process personal data as contractual persons and business contact details.
- b) The processing of personal data must follow the provisions of the General Data Protection Regulation (GDPR) and, if applicable, other data protection rules.