

TABLE OF CONTENTS

ART. 1	PURPOSE
ART. 2	APPLICABILITY
ART. 3	CONCLUSION OF THE SUPPLY CONTRACT AND WITHDRAWAL
ART. 4	OBLIGATIONS OF THE SUPPLIER
ART. 5	TECHNICAL DOCUMENTATION AND CONFIDENTIALITY OBLIGATION
5.1	TECHNICAL DOCUMENTATION OF THE SUPPLIER AND RELATED OBLIGATIONS
ART. 6	PRICES
ART. 7	QUALIFICATION AND VERIFICATION OF SUPPLIERS
ART. 8	SHIPMENT
ART. 9	ACCEPTANCE OF PRODUCTS
ART. 10	TERMS AND CONDITIONS OF DELIVERY – PENALTY CLAUSE AND LEGAL TERMINATION PURSUANT TO ART. 1456 of the Italian Civil Code
ART. 11	INVOICING
ART. 12	WARRANTY AND LIABILITY TO THIRD PARTIES
ART. 13	SUSPENSION OF PAYMENTS
ART. 14	PROHIBITION OF TRANSFER AND/OR SUBCONTRACTING
ART. 15	THIRD PARTY RIGHTS
ART. 16	JURISDICTION

ART. 1: PURPOSE

This document regulates the purchase of goods and services (the “Supply” or the “Supply Contract”) between SagiCofim S.p.A. and its suppliers, and establishes the obligations and respective responsibilities.

ART. 2: APPLICABILITY

These General Terms and Conditions of Purchase (GTC) apply to all orders issued by SagiCofim S.p.A. and accepted by its suppliers, unless otherwise specifically agreed between SagiCofim S.p.A. and the suppliers on individual orders. The latter agreements will prevail over the GTC only in cases where SagiCofim S.p.A. wishes to waive the GTC.

These GTC therefore govern the contracts for the purchase of goods (the “Supply of Goods”) and the contracts for the provision of services (the “Supply of Services”) entered into between SagiCofim S.p.A. and its suppliers.

ART. 3: CONCLUSION OF THE SUPPLY CONTRACT AND WITHDRAWAL

The Supply Contract will be completed following the acceptance, by the Supplier, of a purchase order (“the Purchase Order” or, simply, the “Order”) issued by SagiCofim S.p.A.

The Purchase Order will be valid and effective only if sent to the Supplier exclusively by the Purchasing Department of SagiCofim S.p.A. All conditions, specifications, standards and other documents referred to in the Order, or which are attached to the Order, shall form an integral part thereof. The Order number must always be indicated on these documents.

For the purposes of concluding the Supply Contract, within 2 (two) working days from receipt of the Order, the Supplier must send SagiCofim S.p.A. written confirmation according to its own methods in use, or return a copy of the Order duly signed for acceptance. Once this period has elapsed, no changes to the terms will be possible.

Should the Supplier send an order confirmation with changes and/or additions, this shall constitute a new non-binding contractual proposal for SagiCofim S.p.A. and which the same must expressly accept.

Acceptance of the Order by the Supplier entails the waiver of any General Terms and Conditions of Sale included in its documents, or referred to in the offer, if not consistent with these GTC of SagiCofim S.p.A. In any case, the terms of the Supplier’s General Terms and Conditions, which are better and more favourable for SagiCofim S.p.A. than those set out in these General Terms and Conditions with reference to the same aspects/obligations, shall apply.

Under no circumstances may any requests from SagiCofim S.p.A. to the Supplier regarding price quotations or offers be considered or interpreted by the Supplier as Orders or in any case contractual proposals. Therefore, any requests by SagiCofim S.p.A. for offers or quotes shall in no case be means for establishing, on the part of SagiCofim S.p.A., contractual obligations of any nature, nor pre-contractual liability.

Should SagiCofim S.p.A. request a change to the subject of the Supply, the Supplier shall be required to promptly communicate and demonstrate, in writing, the reason for any increase in prices, as well as the possible impact of such change on delivery dates.

Without prejudice to any other agreement, before the delivery of the goods and/or the execution of the service, SagiCofim S.p.A. may withdraw at any time, for any reason and with immediate effect from the Supply Contract, by written communication to be sent to the Supplier by certified email or registered letter with return receipt. Upon receipt of the notice of withdrawal, the Supplier must therefore immediately suspend the execution of the Supply. In the even of exercising the right of withdrawal, SagiCofim S.p.A. is willing to consider purchasing, at the supply price, the material specifically purchased by the Supplier for the execution of the Supply, after the supplier demonstrates it is impossible to reuse the same material in the context of its business activity.

ART. 4: OBLIGATIONS OF THE SUPPLIER

The Supplier undertakes to supply the goods and/or provide the services requested by SagiCofim S.p.A. in accordance with the provisions of the Order.

In the case of Supply of Goods, the Supplier undertakes to produce and sell to SagiCofim S.p.A. the products in quantity and quality in accordance with the provisions of the Order, as well as in any technical documentation delivered by SagiCofim S.p.A.

In the case of Supply of Services, the Supplier undertakes to carry out the supply on time and in the manner agreed.

The Supplier undertakes to deliver to SagiCofim S.p.A., if required, the manual for the assembly, use and maintenance of the goods and/or services provided, the technical documentation relating to the supplies, such as the certificate of conformity and/or origin of the products, any further documents and technical drawings made by the Supplier and/or any of its Subcontractors/Sub-providers, with reference to projects or products created following indications from SagiCofim S.p.A. or specifically for the latter, which will become the exclusive property of SagiCofim S.p.A. as well as will be the property of SagiCofim S.p.A. all the intellectual and industrial property rights incorporated therein and deriving therefrom.

The Supply of Goods and/or Services must comply with applicable laws and regulations, even if not expressly referred to in the technical documentation of SagiCofim S.p.A.

The Supplier undertakes to fully comply with the obligations of a remuneration, contribution and tax nature towards its employees and appointees.

Should the Supplier rely on third parties for the provision of the Services or Products (e.g. "Subcontractors" and/or "Sub-providers") it is understood that the Supplier:

- shall remain solely responsible to SagiCofim S.p.A. for correct fulfilment of the Supply Contract, not establishing any contractual relationship between the Subcontractors/Sub-providers and SagiCofim S.p.A.
- undertakes to ensure that the Subcontractors/Sub-providers carry out the activities for which they are appointed in the execution of the Supply Contracts in full and total compliance with all legal regulations such as, but not limited to, the applicable labour, social security and tax regulations, without exception.

ART. 5: TECHNICAL DOCUMENTATION AND CONFIDENTIALITY OBLIGATION

Technical Documentation means all the documentation useful to the Supplier for the correct performance of the activities necessary for the fulfilment of supply requests. This documentation is attached to the Order or mentioned in it if already transmitted or already available to the Supplier.

The Supplier is required to review and verify the documentation received, or mentioned, and contact SagiCofim S.p.A. for any clarifications or additional information and data deemed incomplete and necessary.

SagiCofim S.p.A. shall take into consideration the changes and updates proposed by the Supplier if, at its sole discretion, it deems them beneficial or improving from an economic and/or qualitative point of view; in any case, the Supplier may not make any changes to products, components, system parts or methods of providing services without the prior written authorisation of SagiCofim S.p.A.

The Supplier must manage the documentation received in a controlled manner and, unless otherwise established in the Order, use the latest updated revision of the documents.

The Supplier is bound by an obligation of confidentiality with regard to the information and documentation it possesses in the execution of the Supply Contract, and must therefore make confidential use of the technical documentation necessary to carry out the supplies, documentation that can be received either directly from SagiCofim S.p.A. or from other

companies affiliated to SagiCofim S.p.A., which remains the exclusive owner of the drawings, design documents, models, specifications etc. delivered, as well as the exclusive owner of all the related intellectual property rights. The Supplier must therefore use the technical documentation received for the sole purpose of providing the services and/or making the products commissioned, with the express prohibition of creating other similar or identical pieces for itself or for third parties.

Finally, the Supplier remains obliged to return to SagiCofim S.p.A. the technical documentation received, including all copies made in any form, immediately after the reasons for the assignment are nullified and/or in any case if requested by SagiCofim S.p.A.

5.1 SUPPLIER'S TECHNICAL DOCUMENTATION AND RELATED OBLIGATIONS

The Supplier must ensure, for supplies that could be subject to compliance with European and/or international standards and/or regulations and/or directives that refer to health and safety issues, compliance with the requirements of these regulations.

In addition, the Supplier must provide SagiCofim S.p.A. all the necessary documentation (e.g. Safety Data Sheets) to ensure the supplies comply with legislative requirements.

Here are some notes on the most common regulations, directives and laws:

a. Requirement to inform on substances / mixtures with SDS, as subject or part of subject, of supply ("REACH" Article 31)

In this paragraph, the goods to be supplied are differentiated according to REACH (EC) No.1907/2006:1 – chemicals as such, 2 – mixtures, 3 – articles.

The Supplier guarantees that the goods supplied comply with all relevant national and international laws (USA, Canada, Japan) and in particular with EU Regulations/Directives.

The Supplier shall ensure that it complies with the requirements of the European Union in regards to Chemicals Regulation REACH (EC) No. 1907/2006, current version, hereinafter referred to as "REACH".

As evidence of what is listed, it must deliver the SDS Safety Data Sheet (and updates) relating to the product.

This obligation also applies to ongoing deliveries as soon as a new substance is added to the REACH SVHC list.

The most recent version of the ECHA list of substances is available at <http://echa.europa.eu>.

b. Requirement to inform on substances / mixtures for which a SDS is not required ("REACH" Article 32)

If a safety data sheet is not required in accordance with Article 32 of REACH Annex II, any content, in a product, of a substance or mixture supplied, of a SVHC substance in quantities greater than 0.1% by weight shall be communicated in writing.

The information required shall also include data on the limitations of the substance, in accordance with Annex XVII of "REACH".

The supply of such products must be separately approved by us.

c. Other regulations ("REACH" Article 32)

The Supplier must also ensure that the goods supplied do not have characteristics that conflict with the international provisions provided for in the following directives:

- Directive 2011/65/EU "RoHS Directive" on the restriction of the use of certain hazardous substances in electrical and electronic equipment – based on their area of application, current version.
- EU Regulation No. 528/2012 "Biocidal Products Regulation", current version.

- Decision 2006/507/EC on EC Regulation 1195/2006: “Council Decision of the Stockholm Convention on Persistent Organic Pollutants”, current version.
- EC Regulation No. 1005/2009 “Regulation on substances that deplete the ozone layer”, current version.

SagiCofim S.p.A. is relieved from any liability arising from the Supplier’s failure to comply with the aforementioned laws. In any case, the Supplier is responsible for ensuring the Supply complies with the specifications, directives and provisions of the legislative and regulatory bodies applicable to the type and category of materials, even if not expressly referred to in the Order. For this reason, the Supplier must therefore indemnify and hold harmless SagiCofim S.p.A. from any claims made by its customers and/or any other party, based on the violation and/or failure to comply with the aforementioned regulations.

ART. 6: PRICES

The prices of the Supply that will be reported in the invoices must be those accepted by SagiCofim S.p.A. and, therefore, indicated in the Order. The Price, once determined and agreed, is to be understood as fixed and invariable during the entire execution of the Supply Contract, unless otherwise agreed; any modification of the Price must take place by means of a written agreement signed by the parties.

ART. 7: QUALIFICATION AND VERIFICATION OF SUPPLIERS

SagiCofim S.p.A. has a Quality Management System compliant with ISO 9001 and 14001 standards, in which it assesses and qualifies its sources of supply according to methods and procedural criteria that measure their collaboration, reliability and correctness also with the help and use of appropriate parameters and performance indicators.

SagiCofim S.p.A. therefore reserves the right to carry out visits/checks at the Supplier’s premises, both for specific problems or needs, and for auditing activities, in order to verify the maintenance over time of the conditions that led to the initial qualification and, possibly, to verify the conformity of the products, processes and procedures.

The Supplier, subject to specific agreement establishing the date, undertakes to allow free access to its premises to the delegates of SagiCofim S.p.A. or its customers who request it, in order to carry out the aforementioned checks.

ART. 8: SHIPPING

In the case of Supply of Goods, their shipment must be carried out in accordance with the indications provided by SagiCofim S.p.A. at the time of the Order, including the packaging methods and the certifications required.

In any case, the packaging used must ensure adequate protection of the goods, protecting their integrity, in order to facilitate the activities of the logistical reception process. The Products must be placed on pallets intact and sized to ensure the material is contained within the pallet’s dimensions. These pallets must be sufficiently robust to safely manage handling and storage activities that involves them being stacked on shelves at different heights. The Goods packed in this way must also provide adequate protection for the exposed parts (edges) and to safeguard contact surfaces, in particular for painted products.

The Goods must be fixed to the pallet by plastic film (e.g. shrink film), braces or bolts, depending on the type, and must not under any circumstances be placed in way that they can slide.

The quantities placed on the single pallet, as well as the stacking of individual units (pieces, boxes), must be evaluated according to the type of product and the possibility of being able to move them easily once at their destination.

Unsuitable packaging methods that may present safety problems, both for the integrity of the material and for the people of SagiCofim S.p.A. in charge of unloading and handling the material, are not allowed.

The Goods must be accompanied by a delivery note clearly indicating: the number of the Order, the codes, the names and quantities of the products/components shipped, the number of packages constituting the shipment and the relative gross and net weights and the testing and/or certification documents where required.

If several items are placed on a single pallet, they must be clearly identified and in any case never mixed with each other.

Supplies from non-EU countries must have pallets certified according to ISPM15.

SagiCofim S.p.A. reserves the right not to accept material with non-compliant packaging. The Supplier shall be solely and exclusively responsible for deterioration and/or damage to the supplied material caused by inadequate and/or non-compliant packaging, as well as for negligence in the loading activity on the transport carriers. In this case SagiCofim S.p.A. shall therefore have the right to refuse the delivery of the damaged Goods and to request their immediate replacement with other identical intact Goods.

ART. 9: ACCEPTANCE OF THE PRODUCTS

In the case of Supply of Goods, the delivered material shall be considered officially accepted only after being checked and approved by SagiCofim S.p.A. and with the clarifications set out below.

In view of the internal procedures, the type of materials and the number of items in the lots to be checked, the checks on receipt of goods may be:

- 100% of the Supply
- sampling by statistical method

The checks carried out upon receipt of goods will mainly focus on ensuring the number of packages indicated on the delivery note matches the Products delivered and the packaging is intact.

Given the nature and method of packaging of many of the materials purchased and used in the production process, some checks on the integrity of the materials can only be carried out when placing the materials in production.

SagiCofim S.p.A. assumes no responsibility and liability for more materials and products supplied than stated in the Supply Contract or that were not included in the Contract itself.

ART. 10: TERMS AND CONDITIONS OF DELIVERY – PENALTY CLAUSE AND LEGAL TERMINATION PURSUANT TO ART. 1456 OF THE ITALIAN CIVIL CODE

The delivery of the Products must take place in accordance with the methods and timing indicated in the Order and in the Supply Contract.

Unless otherwise agreed between SagiCofim S.p.A. and the Supplier with written notice, the Products purchased must be supplied and invoiced as a single payment.

Unless otherwise agreed in writing, the costs of transportation, including packaging and insurance, are the sole responsibility of the Supplier. The goods therefore travel at the risk and peril of the Supplier. Any damage, loss, shortage or, in any case, lack of materials, will be entirely borne by the Supplier. Priority shall be given to environmentally friendly packaging materials.

The Supplier shall bear all costs arising from non-compliance with the transport instructions provided by SagiCofim S.p.A.

All transport documents must contain the information requested by SagiCofim S.p.A. and, in particular, the Order number, as well as the quantity and weight of each item.

Unless otherwise demonstrated, the quantities, weight and dimensions defined during the inspection of incoming goods carried out by SagiCofim S.p.A. will be binding on the Supplier.

Any partial deliveries must be previously authorised by SagiCofim S.p.A. and will be identified as such in the delivery note. As a result, invoicing will also be partial.

Certificates of conformity and/or tests, if required, must be sent and delivered together with the Goods supplied, in order not to delay the possibility of using the materials and/or cause a conditional acceptance, which would entail charges for the relative closure that may be charged to the Supplier by SagiCofim S.p.A.

The delivery terms specified in the Order, agreed and confirmed by the Supplier, are to be considered binding and compulsory; any causes of "force majeure", such as to affect compliance with the delivery terms, must be promptly communicated by the Supplier in writing and proven in terms of extent and duration.

In the event of non-compliance with the agreed delivery terms, SagiCofim S.p.A. shall have the right to apply a penalty of 1% of the total amount of the Supply Contract for each working day of delay after five working days, up to a maximum of 10% of the value of the supply, without prejudice to any greater damage. SagiCofim S.p.A. also reserves the right to defer the agreed payment deadlines of fifteen days for each week of delay or fraction thereof.

Without prejudice to the application of the penalty according to the terms indicated above, in the event of delays in delivery exceeding fifteen working days SagiCofim S.p.A. will have the right to terminate the Supply Contract pursuant to art. 1456 of the Italian Civil Code by written communication to be sent to the Supplier by certified email or registered letter with return receipt.

ART. 11: INVOICING

Unless otherwise agreed, the Supplier shall issue an invoice for each delivery and/or provision of service. The invoice must include the order number of SagiCofim S.p.A., the items and the number of the Delivery Note.

SagiCofim S.p.A. reserves the right not to pay invoices that do not contain the required information; in this case the Supplier must issue a credit note and issue a new invoice with the required data.

Incomplete invoices will not be valid for the purpose of determining the payment date.

ART. 12: WARRANTY AND LIABILITY TO THIRD PARTIES

Supply of Goods

Unless otherwise agreed in writing, the Supplier guarantees, for a period of 18 months from the date of delivery, the absence of defects and/or defects in the manufacture and/or design of the products supplied, as well as their total compliance with what is indicated in the Order/Supply Contract, also in terms of compliance with the applicable technical manufacturing and marketing regulations.

As a partial exception to the provisions of art. 1495 of the Italian Civil Code, SagiCofim S.p.A. is required to report the existence of faults and/or defects found within 30 days of their discovery.

Without prejudice to the solutions provided for in Article 1492 of the Italian Civil Code, in the event of defects, SagiCofim S.p.A. shall have the right to request from the Supplier, at its sole discretion, the free replacement

and/or repair of defective products and/or components, to be carried out within the period indicated by SagiCofim S.p.A. in the relevant request. The Supplier acknowledges that repairs/replacements of defective products may be carried out at the customers of SagiCofim S.p.A.

In the event that the Supplier does not replace/repair the components and/or the defective product within the term indicated by SagiCofim S.p.A., the latter, always without prejudice to the solutions referred to in art. 1492 of the Italian Civil Code, may proceed directly to resolve the defect, in the manner deemed most appropriate, charging the Supplier with all the related costs and expenses.

In any case, the Supplier must provide compensation for all damages, direct and/or indirect, suffered by SagiCofim S.p.A. as a result of the detected defects of the Supply.

The Supplier shall indemnify and hold SagiCofim S.p.A. harmless from any third party claims arising from defects and/or defects in the Products supplied. In these cases, the Supplier shall bear all costs and expenses, including legal fees.

In the event that a defect related to the safety of the goods supplied makes it necessary to recall the product, or in the event that such recall is ordered by public authorities, the Supplier shall bear all costs relating to the recall of the product. As far as practicable and reasonable, SagiCofim S.p.A. reserves the right to coordinate with the Supplier the content and extent of the product recall. In particular, in order to safeguard its interests, SagiCofim S.p.A. will have the right to act on behalf of the Supplier if it does not have the appropriate structures aimed at implementing a recall of the products at its company (for example, lack of service organisation). The provisions of the law shall also apply.

Supply of Services

In the case of Supply of Services, the provisions of the Civil Code regarding procurement apply.

The Supplier is always required to provide the same quality/performance of the products/services provided over time, regardless of changes to its production processes, materials or components related to that supplied, the relocation of production sites as well as any changes made to the procedures or systems for the verification of the goods supplied and anything else that may affect the quality and/or safety of the goods and/or services supplied.

ART. 13: SUSPENSION OF PAYMENTS

In the event of a breach by the Supplier of its contractual obligations, SagiCofim S.p.A. may suspend payment of the Supply until the Supplier rectifies its non-fulfilment.

ART. 14: PROHIBITION OF TRANSFER AND/OR SUBCONTRACTING

The Supplier may not transfer and/or subcontract the Supply Contract to third parties, nor may it assign to third parties all the rights arising from it and deriving from it, without the prior written authorisation of SagiCofim S.p.A.

ART. 15: RIGHTS OF THIRD PARTIES

The Supplier guarantees that the products and/or services provided do not infringe any copyright, patent and/or other intellectual property rights of third parties. The Supplier must therefore indemnify and hold SagiCofim S.p.A. harmless from any third party claim relating to and/or arising from the violation of these rights.

ART. 16: JURISDICTION

For any dispute that may arise in relation to the execution and/or interpretation of the Supply Contract, the Court of Milan will have exclusive jurisdiction, with the express exclusion of other courts with territorial jurisdiction pursuant to the Law.