

## GENERAL TERMS OF PURCHASE

## TITLE I

(Subject and scope of application)

**Introduction**

1.1 These General Terms of Purchase are aimed at regulating the relationships originating from the purchase of a good or service by Granarolo S.p.A. and by the companies controlled by it based in Italy. They are applied in full to every Contractual Relationship, as defined in Article 1, consisting of the purchase of goods and services with the exception of the following circumstances:

- if one or more clauses contained in them are incompatible with the particular type of purchase;
- if the Parties derogate in writing, expressly and specifically, one or more clauses contained in them.

**Art. 1\_Definition**

1.1 For the purposes of this document, the following terms shall have the following meanings:

- **Terms** means the General Terms of Purchase indicated in this document.
- **Purchaser** means, severally, Granarolo S.p.A. and the companies controlled by it based in Italy.
- **Supplier** means the **Purchaser's** counterparty in the individual commercial transactions.
- **Goods** means the subject of the purchase by the **Purchaser** such as, by way of example and without limitation, services, systems and machinery.
- **Contract** means the document specifically drafted to regulate a **Contractual Relationship**, resulting from negotiation between the **Purchaser** and the **Supplier**.
- **Contractual Relationship** means the bond that links the **Purchaser** with the **Supplier** in implementing the **Main Performance** and/or **Accessory Performance** indicated in these **Terms**.
- **Order** means the Purchase Order, namely the document that formally accepts the **Supplier's** quotation and requires the **Purchaser** to make a purchase.
- **Quotation** means the document used by the **Supplier** to propose a purchase to the **Purchaser**.
- **Request for Quotation** means the verbal or written request of the **Purchaser** concerning a specific purchase requirement.
- **Parties** means the **Purchaser** and the **Supplier**.
- **Main Performance** means every main performance that the **Supplier** undertakes to perform as indicated in the **Order**.
- **Accessory Performance** means any performance other than the main performance which, despite not being indicated in the **Order** and/or in the **Contract**, is necessary and opportune for the correct and precise fulfilment, in a professional manner, of the **Main Performance** by the **Supplier**.

**Art. 2\_Obligations of the contractor supplier**

2.1. In view of the fee, the **Supplier** is required to perform, with the utmost diligence, both the **Main Performance** and the **Accessory Performances**, even not expressly indicated in these **Terms**, autonomously incurring all related costs for personnel and equipment used, guaranteeing and undertaking in particular:

- a. to use exclusively equipment, materials and anything else necessary for the conduct of both the **Main Performance** and the **Accessory Performances** exclusively owned by it or of which it enjoys in another guise (lease, rental, loan, etc.) autonomous and exclusive use, and not to use any material and/or equipment owned by the **Purchaser**;

- b. not to use, even occasionally, performances of employees of the **Purchaser** company, even if they are willing;
- c. to avoid, in the strictest sense, by way of adequate control, the **Supplier's** workers circulating in workplaces other than those in which the performances will take place, being, in that regard, the sole and exclusive recipient of any liability and therefore required to implement all safeguarding, control, prevention and protection measures aimed at avoiding damage to its employees and to third party workers;
- d. to communicate in advance to the **Purchaser** the name of its lead coordinator, who will be required to manage in the name, on behalf and in the interest of the **Supplier**, relationships with the **Purchaser** with regard to issues concerning the implementation of this **Contract**, to organise, manage and control the activity of all its working members and those of any cooperatives and/or subcontractor companies, guaranteeing the professional performance of the works and, at the same time, organising and implementing the prevention and protection measures required to guarantee the safety of workers, even of any enterprises and/or cooperatives asked to operate on subcontract within the plant, if formally authorised by the **Purchaser**;
- e. to send, and at least 10 (ten) working days before using any subcontractor companies and/or cooperatives, the formal authorisation request to the **Purchaser** company, equipped with all requested or necessary documentation, appropriately completed and signed, and the necessary and sufficient documentation to demonstrate their technical and professional suitability;
- f. to communicate in advance to the **Purchaser** the names and qualifications of the persons who will be used to conduct the contracted services and any changes that may occur during the conduct of the **Contract**;
- g. the **Supplier**, by signing, declares to the **Purchaser** that the personnel used in executing the **Main Performance** and/or **Accessory Performance** subject to these **Terms** are guaranteed the economic and regulatory treatment provided by the industry National Collective Labour Agreement (if employees) or the respective internal regulations indicated in Italian Law 142 dated 3.4.2001 (if working members); that all forms of social security and mandatory insurance protection have been implemented for the aforementioned personnel as required by existing regulations, with the due payment of the respective contributions and premiums, and it expressly undertakes to indemnify and hold harmless the **Purchaser** from any cost, even legal, damage, charge, payment and/or in any case legal or judicial consequence related and/or connected to the employment relationships with its employees, accepting, at its exclusive care and burden, every related cost;
- h. to produce, when signing this Contract and within 7 (seven) days from the request by the **Purchaser**, the valid Single Insurance Contribution Payment Certificate (DURC), DM 10 and F24 certifying the payment of remuneration, contributions, social security and insurance costs with specific reference to the individual workers employed in executing the services, the employee register and salary record, the accident book, as well as copies of the forms certifying payments to the Social Security Bodies, duly receipted, documentation certifying its regularity, including contributions and social security payments, with respect to each and any obligation and/or burden, including insurance, social security and accident-prevention, towards its employees, collaborators, consultants and in any case successors employed in implementing both the **Main Performance** and the **Accessory Performance**;
- i. to ensure its personnel as well as the personnel of the subcontractor companies (if authorised to subcontract) involved in implementing both the **Main Performance** and the **Accessory Performance** of this **Contract**, scrupulously comply with the accident-prevention, workplace health and safety and pollution regulations (with particular, but not exclusive, reference to Italian Legislative Decree 81/2008 as amended and supplemented) and prepare and provide a copy of all necessary documentation to comply with the provisions of Italian Legislative Decree 81/2008 as amended and/or supplemented and it expressly undertakes to indemnify

and hold harmless the **Purchaser** from any cost, including legal, damage, charge, payment and/or in any case, legal or judicial consequence related and/or connected to any breach of the accident-prevention, workplace health and safety and pollution regulations, assuming exclusive care and responsibility for any related cost;

- j. to ensure its personnel involved in implementing both the **Main Performance** and the **Accessory Performance** under this **Contract** respect the rules contained in the procedures in force in the Plant of the **Purchaser** company in which the processes occur and in the surrounding appurtenant areas; in that regard, the **Supplier** declares to have received a copy of the aforementioned procedures, and it will promptly provide a copy to the Lead Coordinator of the **Supplier** itself; the **Supplier** will immediately provide a copy of the regulation indicated above, including updates, to its employees, collaborators, consultants and, in any case, successors in any way employed in executing the **Main Performance** and/or **Accessory Performance**;
- k. to coordinate the conduct of the performances whether they be the **Main Performance** and/or **Accessory Performance** with the requirements connected to the activity performed by the **Purchaser** in the Plant, avoiding causing any hindrance to that activity, also with regard to activity in the working hours observed by employees of the **Purchaser**, of which the **Supplier** declares to be perfectly aware, with the obligation to communicate the aforementioned hours to its employees, collaborators, consultants and, in any case, successors employed in any way in executing the **Main Performance** and/or **Accessory Performance**;
- l. to guarantee the maintenance of adequate cleanliness and hygiene conditions in the working area;
- m. the **Supplier** and the **Purchaser** will prepare, in accordance with Art. 26 of Italian Legislative Decree no. 81/2008, the Single Document on the Assessment of Risk from Interference (DUVRI) pursuant to Art. 26 of Italian Legislative Decree 81/2008, which will constitute an annex to these **Terms**. The DUVRI will not be necessary if the works fall within the Site Directive and/or in all other cases provided by the cited Legislative Decree;
- n. to comply scrupulously and ensure compliance by its subcontractors, asked to operate within the plant on subcontracting if it has requested in advance and obtained formal authorisation from the **Purchaser** company, all regulatory provisions on workplace health and safety, being the sole and single recipient of any civil or criminal liability towards the **Purchaser** itself and therefore being required to implement all safeguarding, control, prevention and protection measures with a view to avoiding damages to its employees and to third party workers and being in any case solely and exclusively liable towards the **Purchaser**;
- o. to replace promptly, at the request of the **Purchaser**, personnel who are not approved by the same for any objective reason;
- p. to declare and warrant that it is in possession of all authorisations, permits and all requirements required by the regulations, even community and secondary, in force for the purposes of the legitimate exercise of the **Main Performance** and **Accessory Performances** indicated in these **Terms**;

2.2. The **Supplier** is and will remain an independent contracting party and will assume exclusively all costs, outlay, liability, obligations, losses or damages of any nature, resulting directly and indirectly from the activity subject to these **Terms**.

2.3. In particular, the **Supplier** will accept the burden of all costs, outlay, obligations and liability for all damages to third parties and/or property, attributable both directly and indirectly to the work of the **Supplier** itself and its employees and/or third parties within the plant of the **Purchaser**.

### **Art. 3\_Conventional form for additional agreements or those in derogation from these terms**

3.1 Any agreement that may supplement or modify the clauses of these **Terms** or derogate from the same will not be valid unless signed in writing between the **Parties**.

3.2 These **Terms** terminate and supersede for all effects any previous oral or written agreement between the **Parties** concerning the same **Good** and/or the same **Main Performance** and/or **Accessory Performance** indicated in these **Terms**.

3.3 References to laws, regulations, rules and provisions in general and/or to measures of the Authority refer to those in force, it being explicitly agreed that any change, modification, alteration or update of the foregoing will automatically involve the obligation for the **Supplier** to comply with the new situation of fact and law even entering into force after the signature of these **Terms**. As a contractual risk, the **Supplier** accepts exclusively the risk of having to make any type of investment necessary and/or useful to adjust to what is stated above.

3.4 Any breaches and/or behaviours not compliant with what is established in these **Terms**, even if tolerated or not disputed by the **Purchaser**, will not constitute derogations from these **Terms**, or precedents to which to refer, and they may not be interpreted as tacit acceptances of those breaches.

3.5 Neither of the **Parties** will be considered liable if the fulfilment of the respective performance has become impossible due to act of God or force majeure as defined in Article 15 below.

3.6 None of these **Terms** constitutes or may be considered equivalent to a society (“partnership”) between the **Parties** and none of the **Parties** has any authority or power to bind the other party or to accept obligations or create liability for the other Party in any way and for any reason.

3.7 Each Contractual Relationship between the **Parties** will be regulated by these **Terms** and/or their subsequent additions and/or modifications occurring between the **Parties** by written deed. The **Terms** do not release the **Supplier** from all duties imposed upon it by laws, by provisions of the Authority and more generally from the obligation of diligence and professionalism.

3.8 The **Supplier** acknowledges that the **Purchaser** has developed its Code of Conduct in order to guarantee that the Group's fundamental values are clearly defined. Those values constitute the basic element of the company culture, as well as the standards of conduct of all collaborators of the **Purchaser** and all companies controlled by it and associated with it in the conduct of the business and their activities. The Code of Conduct represents, moreover, the set of rights, duties and responsibilities through which the company recommends, promotes or prohibits certain behaviours.

3.9 The **Supplier**, given the foregoing, declares:

- to have read the text of the Code of Conduct which can be obtained at the website [www.gruppogranarolo.it](http://www.gruppogranarolo.it);
- to comply with the principles contained in it.

The **Supplier** also declares to have received and to be aware of the content of the document “Principles of the 231 Model” developed by the **Purchaser** which can be obtained on the website: [www.gruppogranarolo.it](http://www.gruppogranarolo.it) in reference to the regulations in force on corporate liability resulting from crimes committed by directors, employees and/or collaborators. With reference to the implementation of the activities subject to these **Terms**, the **Supplier** declares to have imparted and implemented instructions to its directors, employees and/or collaborators aimed at preventing the commission, even attempted, of the behaviours sanctioned by the provisions of Italian Legislative Decree 8 June 2001, no. 231 and undertakes towards the **Purchaser** to keep them all effectively implemented for the entire duration of this **Contract**.

3.10 The **Supplier** acknowledges and accepts that any breach, even partial, of the declarations and obligations indicated above, which may reasonably determine negative consequences for the **Purchaser**, will constitute a serious breach of the **Contract** and will entitle the **Purchaser** to withdraw unilaterally, even during the implementation, or to terminate the **Contract**, by way of recorded delivery letter containing a brief indication of the factual circumstances or judicial proceedings proving the breach.

If news is received from which that breach may reasonably be inferred, in anticipation of legal assessments or outcomes, the **Purchaser** will have the right to suspend the implementation of the **Contract**, to be exercised by way of recorded delivery letter containing a brief indication of the news. If the news is taken from the press, the exercise of the

right cited above will be permitted when the news is validated by a formal act of the Judicial Authority and/or is otherwise confirmed by the Judicial Authority. The exercise of the aforementioned right will occur to the detriment of the **Supplier**, in any case charging to it all higher costs and charges; the **Supplier** undertakes to indemnify the **Purchaser** for any third party action deriving from or consequent to that breach.

#### Art. 4 Contractual documents

4.1 Any purchase made by the **Purchaser** may be formalised, for example, by the following documents:

- the **Request for Quotation**;
- the **Quotation**;
- the **Terms**;
- the **Order**;
- the **Contract**.

4.2 The **Terms** constitute an integral and essential part of all documents that regulate the **Contractual Relationship** between the **Purchaser** and the **Supplier**, even without the need for explicit reference. Each document indicated in point 4.1 above involves acceptance without reserve of these **Terms**.

4.3 The **Terms** do not bind the **Purchaser**, and do not create any type of expectation regarding the conclusion of any negotiations in progress, or the conclusion of subsequent purchases if the **Order** is not issued by the **Purchaser**.

4.4 Even when, for the purchase of a good, the **Parties** prepare a specific **Contract**, the **Terms** are understood to be automatically applicable as an integral and essential part of the **Contract** and of the **Order**, without the need for explicit reference.

4.5 If there is conflict between the covenants contained in the **Order** and/or in the **Contract** and those contained in the **Terms** the former will prevail over the latter.

## TITLE II

(Generally Applied Clauses)

#### Art. 5 Non-exclusivity of supplies

5.1 Unless otherwise agreed in writing between the **Parties**, the **Goods** will not be requested from the **Supplier** on an exclusive basis.

#### Art. 6 Liability of the Supplier, Subcontracting, Prohibition on Assignment of Contract, Prohibition on Transfer of Receivables

6.1 Without prejudice to all cases of liability that may be attributable to the **Supplier** for the execution of the contents of the **Contract** and the **Order** in place with the **Purchaser**, including manufacturer's liability, the **Supplier** is also liable towards the **Purchaser** for the actions of its employees and third party collaborators that it has chosen or whose work it uses.

6.2 The **Supplier** may not assign the **Orders** or the **Contracts**, or subcontract, even partially, their execution, without the prior written authorisation of the **Purchaser**, failing which the **Purchaser** may consider the **Contract** terminated, in accordance with Art.1456 of the Italian Civil Code. Even if subcontracting is authorised by the **Purchaser**, the **Supplier** maintains towards the **Purchaser** full responsibility for its execution and the supply of the **Goods**.

6.3 The **Supplier** is strictly prohibited from transferring, even in part, for any reason, the receivables deriving from the **Contract**. The **Parties** expressly agree that the receivables deriving from the execution of these **Terms**, from the **Contract** and from the **Order** may not be transferred to third parties, in accordance with and for the effects of Art. 1260, 2nd paragraph of the Italian Civil Code, without express written authorisation of the **Purchaser**. The receivables may not form the subject of any act of disposition by the

creditor without the consent of the **Purchaser**, even for the purpose of guarantee, and they may not be collected by entities other than the creditor which the latter has invested with representative and/or managerial power. By way of example, mandates and delegations to collect are, inter alia, prohibited.

6.4. The Parties agree that in the event of a violation by the **Supplier** of the prohibitions indicated in this Article 6, the **Purchaser**, without prejudice to the right to compensation for damage, may declare the **Contract** terminated by law, in accordance with Art. 1456 of the Italian Civil Code.

#### **Art. 7\_Penalties**

7.1 Without prejudice to the right of the **Purchaser** to claim compensation for any further damages and subject to any other right granted to the **Purchaser** based upon these **Terms**, the **Contract** or the law, in the event of a breach by the **Supplier** of the contractual obligations, the **Supplier** shall pay to the **Purchaser** a penalty amounting to 10% of the value of the agreed fees.

7.2 Unless otherwise agreed between the **Parties** in writing, for each week of delay with respect to the contractual term, commencing from the second week, the **Supplier** must pay a penalty of 2% of the value of the economic transaction provided contractually and in the **Order**, up to a maximum ceiling of 10%, without prejudice in any case to compensation for greater damages suffered by the **Purchaser**.

7.3 Upon the occurrence of one or more events provided herein, the payment of what is due by the **Supplier** by way of penalty in accordance with Article 7.1 above will take place within 30 (thirty) days from the day of the written communication of the **Purchaser**. The **Supplier**, by signing these **Terms**, expressly authorises the **Purchaser** to deduct the sums relating to the penalties indicated in this Article 7 from the overall fee accrued in accordance with Article 12 below and from the next invoice after the date of sending the communication relating to the breaches indicated in this Article.

#### **Art. 8 Industrial and intellectual property**

8.1 The **Supplier** recognises that the names and trademarks used by the **Purchaser** are the exclusive property of the **Purchaser** and/or the Subsidiary Companies and/or it has their legitimate right of use. As a result, the **Supplier** may not implement any act of disposition and/or use, in any form or method, of those trademarks and names even combined between them, both during the **Contractual Relationship** and after its termination, for any reason, fact or cause for which the same is determined.

8.2 When the formulae and/or compositions of the **Goods** or the trademarks to be used for the same are not indicated or provided by the **Purchaser**, the **Supplier** shall ensure and guarantee that the **Goods** and their intended use do not violate third party rights of industrial property (trademarks and patents).

8.3 In the cases provided in point 8.2 above, the **Supplier** hereby fully indemnifies the **Purchaser** from each and any claim, legal action and compensation claim that may be made by third parties due to acts of unfair competition, infringement of patents or applications for patents, trademarks or models filed and industrial and intellectual property relating to the **Goods**.

#### **Art. 9 Confidentiality and Privacy Protection**

9.1 The **Supplier** acknowledges that as a result of the **Contractual Relationship** with the **Purchaser** it may become aware of elements, information, news and, more generally, data, even statistical, subject to extreme confidentiality and/or industrial protection, as well as any other news, secrets, facts, designs, information in the widest sense of the term, learned directly and/or indirectly from the **Purchaser**. For those reasons, the **Supplier** undertakes for itself, for its personnel and for its collaborators and/or third parties to maintain the strictest confidentiality over everything it learns and/or of which it becomes aware, even in confidence, on the occasion of the supply

and/or request for supply made by the **Purchaser**, its employees, collaborators or successors, for the whole duration of the **Contractual Relationship** and for 5 (five) years after its termination.

9.2 All material and information of any nature, provided by the **Purchaser** to the **Supplier**, will remain the property of the **Purchaser** and may only be used to implement the contract, with a prohibition on any disclosure without prior authorisation from the **Purchaser**.

9.3 Upon the termination of the **Contractual Relationship** the **Supplier** shall immediately return to the **Purchaser** all documentation provided to it.

The Purchaser, as Data Controller, with this Article 9 provides some information on the use of the personal data necessary to manage the contract and to fulfil the legal obligations.

The data will be processed, by manual, IT and/or electronic methods, for the following purposes:

- to assess new **Suppliers**. In that regard, the personal data subject to processing may also include judicial data (pursuant to Art. 4 par.1 let. e) of the Italian Civil Code;
- to manage and execute pre-contractual obligations;
- to manage and execute obligations deriving from the **Contract**;
- to provide the main and/or accessory performances connected to the **Contract**;
- to fulfil the obligations provided by Italian Legislative Decree 81/08 in relation to workplace health and safety (by way of example, request for names of the members of personnel (surname and name, employee number, place and date of birth, date of recruitment) who will perform the interventions at our office with a specific declaration on possession of the technical and professional suitability requirements and a respective indication of the INPS (National Insurance) and INAIL (Workplace Accident Insurance Body) and CCNL (National Collective Labour Agreement) position applied);
- to execute and fulfil the obligations provided by laws, regulations and community rules;
- for dispute management.

The collection of some personal data is mandatory in nature as it is necessary to implement legal and tax fulfilments and any refusal to provide those data will involve the impossibility of establishing relationships with our company.

- to entities to which that communication must be made in fulfilment of an obligation provided by law, by a regulation or by community rules;
- to companies belonging to the Group or subsidiaries or associates in accordance with Art. 2359 of the Italian Civil Code for administrative and accounting purposes.

The internal/external processor of the data and the following categories of entities instructed to perform the processing may become aware of the data: Purchasing, General Services, Technical Directorate.

By contacting the data controller's Privacy Service, the data can be verified as well as supplemented, updated or rectified and/or the rights provided by Art. 7 of the Code may be exercised.

The data controller is Granarolo S.p.A. based at Via Cadriano 27/2, Bologna. The Processor is the Administration, Finance and Control Director domiciled for the role at the controller's office. (The full and updated list of processors can be found on the website [www.granarolo.it](http://www.granarolo.it)).

### TITLE III

(Specifically Applied Clauses)

#### Art. 10 Guarantees / Controls and verifications by Purchaser

10.1 Without prejudice to the contents of the rules in force, for the purchased **Goods** covered by guarantee as recorded by the **Order** and by the **Contract**, the **Supplier** is required to replace, at first request and at its own expense, the defective **Goods** and to perform, again at its expense, any modifications and developments that may be necessary to ensure that the **Goods**

satisfy the conditions stated in the **Order** and in the **Contract** or, if requested by the **Purchaser** at its sole discretion, to collect the non-compliant **Goods**, at its own care and expense within a term of 30 (thirty) days from the respective dispute, and in any case not beyond the date indicated by the **Purchaser**, and to return the fee paid by the **Purchaser**. The **Supplier** will be responsible for all consequences deriving from the lack of or incomplete execution, even partial, of all obligations for which it is responsible, as well as the repair and replacement costs, along with those of transport and travel deriving from the same.

10.2 The replaced or repaired **Goods** will be subject to a new guarantee being the same as the former guarantee.

10.3 Without prejudice to the exclusive liability of the **Supplier**, the **Purchaser** is permitted to perform any control, directly or by any direct or indirect means, as well as at any time and in any location in relation to the supply of the **Goods**. The **Supplier** undertakes to provide to the **Purchaser** all necessary assistance for the performance of the aforementioned controls. If, during the aforementioned controls, the **Purchaser** makes valid disputes regarding the fulfilments due from the **Supplier**, the latter will proceed, at its own care and expense, to remove, in an agreed timescale, the reported defects and/or deformities. Otherwise, the **Purchaser** may terminate the **Contract** in accordance with Art. 1456 of the Italian Civil Code.

#### **Art. 11\_Delivery, acceptance of goods and disputes**

11.1 The **Goods** must be delivered to the **Purchaser**, in the location that will be indicated in the **Order** or in the **Contract**, or at third parties if expressly indicated by the **Purchaser**. The delivery terms established and indicated in the **Order** or in the **Contract** are to be considered essential and refer to the dates on which the **Goods** must be delivered.

11.2 Any deformities or non-conformity of the **Goods** with what is agreed between the **Parties** and defects, if evident, must be reported to the **Supplier** in writing within 15 (fifteen) working days, commencing from the delivery even in the absence of an express reserve on the delivery note. For hidden defects or deformities or non-conformity, the period in which to make the report is established at 15 (fifteen) working days from the discovery.

11.3 In the event of complaints due to defects or lack of conformity of the **Goods** delivered to the **Purchaser**, the latter may choose whether to ask the **Supplier** to replace the defective **Goods** or to return the **Goods** to the **Supplier** which must refund to the **Purchaser** anything paid by the latter for the supply of the same.

11.4 Any tolerance by one of the **Parties** of behaviours of the other, implemented in violation of the provisions contained in these **Terms** and in the **Contract**, will not constitute a waiver of the rights deriving from the violated provisions, or the right to demand the exact fulfilment of all conditions and **Terms** provided here.

11.5 The **Contract** will be considered concluded only if the delivery of the complete documentation in paper and electronic form (paper in duplicate copy in Italian) occurs:

1. Use and maintenance manual.
2. Layout.
3. Software complete with commented source codes.
4. P&I.
5. Electrical/mechanical drawings.
6. Part List.
7. Maintenance plan.
8. List of critical spare parts (where necessary).
9. List of fault codes.
10. CE certification and technical booklet.

For the electronic format, in relation to the list indicated above (from 1 to 10), all files must be in PDF format, except for the layout, P&I and software, unless otherwise agreed between the **Parties**.



**Art. 12\_ Agreed fees, Invoicing, Payments and Default Interest**

12.1 Unless otherwise expressly provided in the **Order**, in the **Contract** or in another document signed between the **Parties**, the agreed fees are understood to be fixed and final, not subject to revision and adjustment. The terms, conditions and methods of payment are specified in the **Order** and/or in the **Contract**.

12.2 The **Supplier** may issue an invoice following the check of quantities and respective acceptance by the **Purchaser**.

12.3 The payment of the invoice balance does not involve the waiver by the **Purchaser** of any complaints for defects and/or non-conformity of the supplied **Goods**.

12.4 The agreed fees will be paid subject to submission of a due invoice. The payments will be made by the bank transfer method paid at 120 (one hundred and twenty) days from the end of month invoice date.

12.5 The **Supplier** declares and warrants that the agreed fees indicated in this Article 12 compensate and remunerate, in addition to the profits of the **Supplier**, all costs, charges and expenses related and connected to the fulfilment of the activities and services for both to the **Main Performance** and the **Accessory Performance**, including any equipment, machinery, consumption or accessory cost functional to the execution of the activities and Services, without exclusion and/or exception, with the **Supplier** hereby assuming, at its own exclusive care and expense and without reserves and/or exception, the respective business risk even in derogation of the provision of Art. 1664 of the Italian Civil Code, irrespective of any higher costs and/or difficulties encountered by the **Supplier** during the implementation of the **Contract**.

12.6 The Parties recognise and mutually acknowledge that the payment of the invoices issued as above by the **Supplier** is conditional essentially upon the regularity of payment, in favour of personnel employed in performing the activities and services of both the **Main Performance** and the **Accessory Performance** under this **Contract**, of all remuneration, contribution, social security and insurance costs.

12.7 In that regard, the **Parties** recognise and mutually acknowledge that if the documentation indicated in Article 2.1 letter h) or any other check reveals irregularities in remuneration, contributions, social security and insurance payments, the **Purchaser** will be entitled to suspend the payment of the fees accrued by the **Supplier** in accordance with Article 12 above, within the limits of the sums related and referable, respectively, to the employees used to conduct the activities and/or the **Goods** subject to this **Contract**, and limited to the period in which those workers respectively provided their activity on behalf of the **Supplier** and in favour of the **Purchaser**, without this constituting a reason for dispute by the **Supplier**, as, in fact, it will not constitute any reason for dispute, until the latter has demonstrated, with suitable documentation, that it has removed the aforementioned irregularities, and subject to the right to terminate the **Contract** as indicated in Article 13 below and without prejudice to compensation for damages.

12.8 For works not scheduled in the **Contract** and not known or knowable upon signing the **Order** and the **Contract** itself that may become necessary for the correct execution of the **Main Performance** and/or **Accessory Performance** which generate extra costs, the **Supplier** and/or its delegate shall report the anomaly as soon as possible. Following consultation, it shall proceed with what is agreed and authorised by the **Purchaser**, dealing as soon as possible (max 10 days) with reporting those extra costs, which must be commensurate with the sums discussed during the negotiation (costs of labour, discounts on materials, etc.)

No final balances will be accepted at the end of the works that have not been previously authorised by the **Purchaser** and/or its delegate (foreman, project manager, etc.), notwithstanding that for major works the **Purchaser** will instruct its own delegate to manage the site accounting.

**Art. 13\_ Withdrawal and termination for breach**

13.1 If the **Supplier** defaults on the obligations assumed by the same towards the **Purchaser** in accordance with these **Terms**, the **Order** and the **Contract**, the **Purchaser** may grant to the

**Supplier**, by recorded delivery letter, a period of 15 (fifteen) calendar and consecutive days, in which to remedy the breach. Once that period has elapsed without the breach having ended, the **Purchaser** has the right, in accordance with Article 1454 of the Italian Civil Code, to consider the **Contract** terminated by law, subject to compensation for any damage suffered.

13.2 In any case and subject to the other circumstances of contractual termination provided within these **Terms** and in the **Contract**, the **Purchaser** has the right to terminate the **Contract** and the **Contractual Relationship** by law, by simple written communication in accordance with Art. 1456 of the Italian Civil Code, in the following cases:

- a) if it emerges that the **Supplier** has not fulfilled the remuneration, contribution, insurance, accident-prevention and social security obligations prescribed in accordance with the regulations, even secondary, in force in relation to its personnel.
- b) if it is ascertained that the **Supplier** uses, in performing the Services, personnel in violation of the regulations, even secondary, in force, therein including Italian Law 123/2007 as amended and supplemented.
- c) if it is ascertained that the **Supplier** has breached the regulations on safety of workers.
- d) if the anti-mafia assessments at the competent Prefecture are found to be positive.
- e) absence of insurance cover for risks, in accordance with Article 14, at any time during the **Contractual Relationship**.
- f) absence of insurance cover for workplace accidents (INAIL), at any time during the **Contractual Relationship**.
- g) if for any reason the competent authorities revoke or suspend the authorisations of the **Supplier** required to supply the **Goods**.
- h) if the **Supplier** is subjected to insolvency or bankruptcy proceedings.
- i) if the **Supplier** fails to remove the defects/deformities of the **Good** within 30 (thirty) days from the report of that defect/deformity, made even by e-mail, by the **Purchaser**.
- j) lack of compliance with the document "Principles of the 231 Model" and the Code of Conduct indicated in Article 3.8.

13.3 Without prejudice to the further and different remedies provided by Law and in any case those relating to cases of serious breach, for which the **Purchaser** may, in accordance with Art. 1456 of the Italian Civil Code, terminate the **Contract** at any time and without prior notice, the **Supplier** hereby declares to accept that if the same does not take steps to eliminate and/or remove the defect and/or deformity reported by the **Purchaser** within 15 (fifteen) days from the report of the same, the **Purchaser** may instruct a third party of its choice to carry out the performances not completed by the **Supplier**, at the expense of the latter, even if at higher cost, subject to application of the penalties for delay pursuant to Art. 6 and the greater damage suffered by the **Purchaser**.

13.4 The provisions of this Article will also apply in the guarantee period.

13.5 The **Purchaser** may also terminate the **Contractual Relationship** in progress with the **Supplier** with prior notice of 15 (fifteen) days, to be sent by recorded delivery letter with notice of receipt or by express courier with notice of receipt, in the event of changes to the financial or commercial situation or shareholding of the **Supplier** which may compromise the activity or interests of the **Purchaser**.

#### **Art. 14 Insurance**

14.1 In all cases in which the nature of the **Good** supplied so requires and/or the **Good** supplied may involve a risk towards the **Purchaser** and/or for the latter towards its customers and/or employees and/or collaborators and/or third party successors in general, or if the **Purchaser** makes a specific request, the **Supplier** is required to enter into insurance with a major insurance company with maximum ceilings adequate to cover the risks indicated above; the insurance policy must be active commencing from the first day of validity of the **Contractual Relationship** and must be kept valid for the whole duration of the same.

14.2 The **Supplier** shall deliver to the **Purchaser** a copy of the policy/policies indicated in the above point within one week from the start of the **Contractual Relationship** and/or within 7 (seven) days from the request by the **Purchaser**.

14.3 The signature of the insurance contracts will not eliminate or reduce the direct liability of the **Supplier** in accordance with these **Terms**.

14.4 The **Supplier** undertakes to do everything necessary to obtain any reimbursements from the insurance companies and, in the presence of third party liability, to obtain the indemnities and compensation to which it is entitled.

#### **Art. 15\_Force majeure**

15.1 Causes of force majeure are considered to include only and exclusively sudden and unforeseeable events that prevent the execution of the **Order** such as national strikes, sabotages, fires, natural disasters such as earthquakes, floods, wars and epidemics.

15.2 The shortage of labour and/or impossibility of signing contracts with sub-suppliers will not be considered a cause of force majeure.

15.3 If the cause of force majeure continues for a period exceeding two weeks, the **Purchaser** may consider cancelled all deliveries of **Goods** still to be made.

#### **Art. 16\_Court with jurisdiction**

16.1 These **Terms** are regulated exclusively by Italian law.

16.2 Any dispute between the **Purchaser** and the **Supplier** connected to these **Terms** will be under the exclusive jurisdiction of the Court of Bologna.

#### **Art. 17\_Safeguarding clause**

17.1 If disputes arise between the **Parties** for any reason, the **Supplier** may not in any case suspend the performances until otherwise communicated by the **Purchaser**.

17.2 These **Terms** are considered to be accepted by the **Supplier**, and will consequently be applied, even where they are not signed by the same but the performance and/or the purchase requested by the **Purchaser** is provided. The **Purchaser** does not accept any General Terms of Sale of the **Supplier**. No deletions, erasures or modifications to these **Terms** of any nature or type are permitted.

In accordance with and for the effects of Articles 1341 and 1342 of the Italian Civil Code, the **Supplier** declares expressly to approve the following Articles of the **Terms**: 2 (Obligations of the contractor Supplier); 3 (Conventional form for additional agreements or those in derogation from these terms); 4 (Contractual documents); 6 (Liability of the Supplier, Subcontracting, Prohibition on Assignment of Contract, Prohibition on Transfer of Receivables); 7 (Penalties); 9 (Confidentiality and Privacy Protection); 11 (Delivery, acceptance of goods and disputes); 12 (Agreed fees, Invoicing, Payments and Default Interest); 13 (Withdrawal and termination for breach); 14 (Insurance); 15 (Force majeure); 16 (Court with jurisdiction).