

GENERAL CONDITIONS OF PURCHASE - CGA REV.00

Introduction

In this document, unless the context requires otherwise:

- (1) "**Confidential information**": means all information and data distributed and exchanged, whether in written or verbal form, that is not already in the public domain. Confidential information includes, but is not limited to, all information or materials prepared in relation to this or other subsequent Agreement and include without limitations: design, software, IT programs, drawings, technical features, models, data, source codes, object codes, technical and commercial documentation, diagrams, flow charts, research, development, (production) processes, procedures, ideas, data, know-how, information on new products and new technologies, prototypes and copies, development or marketing techniques and materials, development programmes, development strategies and plans, including names, trademarks, customers' names, pricing policies, financial information and other information of a similar nature, and any other commercial confidential or non-public information concerning activities of the Buyer and its business.
- (2) "**Delivery**": means the delivery of the Goods at the destination specified by the Buyer, within the terms specified in the Purchase Order.
- (3) "**Defects, faults**": means Goods supplied by the Supplier which are not in conformity with the specifications, drawings, information indicated by the Buyer or agreed upon, or do not comply with the general safety requirements for consumer goods, or do not comply with national and international regulatory requirements, except where such non-compliance arises because of a change in the Characteristics indicated by the Buyer.
- (4) "**Equipment**": means all the equipment supplied by the Buyer, which may also have been manufactured by the Supplier and left on hire purchase, and used in manufacturing the Goods by the Supplier, as indicated in this Agreement.
- (5) "**Goods**": means the goods, products or services ordered by the Buyer through Purchase Orders.
- (6) "**Characteristics**": means all technical information, control or production specifications, know-how, formulae, relating to the manufacture and performance requirements of the Goods.
- (7) "**Purchase Order**": means an order placed by the Buyer with the Supplier, in writing and on a form provided for that purpose.
- (8) "**Forecasts**": means the Buyer's purchase forecasts.

1. Introduction

1.1 These General Conditions of Purchase ("GCP") shall apply to each delivery of Goods as defined below under a separate supply or purchase agreement (a "Purchase Agreement") between **Baltur Spa** (the "Buyer") and the Supplier of the Goods (the "Supplier").



1.2 The General Conditions of Purchase also apply to each purchase order for Goods (a "Purchase Order") pursuant to a Purchase Agreement or on an individual basis.

1.3 Any Purchase Agreement or Purchase Order (including these General Conditions of Purchase) relating to the Goods is hereinafter referred to as the "Agreement".

1.4 In the event of any conflict or contradiction, the documents making up the Agreement shall be understood in the following order of precedence: the Purchase Order, the Purchase or Supply Agreement (including its annexes, with the exception of the General Conditions of Purchase) and these General Conditions of Purchase. All new terms and conditions proposed by the Supplier shall apply only if expressly accepted in writing by the Buyer.

2. Subject matter and definitions

2.1 The subject matter of the Agreement includes the manufacture, assembly, testing, supply and delivery of the Goods by the Supplier at the agreed place of delivery (including the provision of related services) and all responsibilities and obligations specified in, or implied by, the Agreement.

2.2 The Supplier is not the exclusive supplier of the Goods. The Buyer shall be entitled to produce or purchase the Goods from other Suppliers, which shall under no circumstances be deemed as termination of the Agreement.

3. Goods inspection and quality

3.1 The Goods and each part thereof shall be free from any defects and shall comply with all requirements imposed by applicable law, regulatory standards, or competent authorities.

3.2 The Goods shall conform to the agreed specifications, parameters and requirements as set out in the Agreement.

3.3 The Supplier may not make any changes to the specifications, drawings and instructions agreed upon with the Buyer without the Buyer having been notified in advance and having agreed to them in writing.

3.4 Goods are accepted subject to inspection.

4. Packaging

4.1 The packaging and the quality of the packaging material shall be such as to protect the Goods from damage and deterioration during transport and during delivery, as well as to protect the health and safety of all Personnel, both of the Supplier of the Goods and of the Buyer, as well as any logistic staff working as intermediaries.

5. Forecasts

5.1 Any forecasts formulated and sent in by the Buyer are for planning purposes only and shall not be binding, nor shall they give rise to binding purchase volumes or other commitments, unless there is an explicit written agreement to that effect ("Logistics Agreement").

6. Purchase orders

6.1 Purchase orders shall be issued by the Buyer and transmitted by software or email, and shall specify quantities, prices, characteristics, destination and delivery time. Confirmation of the order by the Supplier is expected within a maximum of five days, otherwise the order is deemed accepted in full.

7. Delivery

7.1 Delivery shall be made on the date first confirmed by the Supplier and in accordance with the delivery times agreed upon in the request for quotation, i.e. as per the previously negotiated standard terms of business. Compliance with the agreed delivery date is a material obligation. In the event that the Supplier fails to deliver the Goods within the agreed time limit or it is clear from the circumstances that a delay will occur, the Buyer shall be entitled to (i) cancel the Purchase Order or any agreed or remaining partial deliveries under the Purchase Order with immediate effect by written notice to the Supplier, without incurring any liability whatsoever to the Supplier; (ii) refuse to accept any subsequent delivery of the Goods under the Purchase Order; (iii) obtain reimbursement of any amounts paid in advance; (iv) obtain reimbursement from the Supplier for any additional costs incurred by the Purchaser in procuring substitute goods and/or services from a third party; and (v) claim damages for any reasonable additional costs, losses or expenses incurred by the Buyer which are in any way incurred as a result of the Supplier's failure to comply with such dates.

8. Transfer of risk and ownership

8.1 The risk of the Goods is transferred to the Buyer in accordance with the agreed Incoterms and as explicitly stated on the purchase order. Ownership of the Goods is accordingly transferred to the Buyer.

9. Price of the Goods

9.1 The price payable by the Buyer to the Supplier for the Goods referred to in this Agreement shall be set out in a Price List agreed between the parties and subsequently applicable, as adjusted from time to time. In the absence of a Price List, the price agreed upon before the purchase order is valid. No price changes are accepted during the order process, nor are additional costs of any kind.

10. Invoicing

10.1 Invoices shall contain a reference to the Purchase Order number, the type of Goods, the quantity delivered, as well as the total amount invoiced for such Goods. Invoices must also specify the Supplier's VAT number, tariff schedule number, country of origin and the applicable export control classification number ("ECCN").

11. Warranty on Goods



11.1 The Supplier warrants that the Goods are free from defects and faults, thereby enforcing the Statutory Warranty. Without prejudice to any other rights and remedies available to the Buyer under the Agreement or applicable law (whether express or implied), the Supplier shall repair or replace defective Goods immediately upon written notice by the Buyer.

11.2 If the Supplier fails to repair or replace the non-conforming Goods immediately in accordance with the Supplier's obligation to remedy the Defects in accordance with Clause 11.1, the Buyer shall be entitled to take such action as it deems necessary in its sole discretion to remedy the Defects and to charge the Supplier reasonable expenses therefor, without prejudice to the Supplier's liability for the non-conformity. Following repair or replacement of non-conforming Goods, the Warranty Period for non-conforming Goods shall be extended by a period of twelve (12) months.

12. Insurance of Goods

12.1 The Supplier shall take out product liability and general liability insurance with a leading insurance company.

12.2 For Goods and Equipment in storage (in-process), the Supplier shall also take out and maintain insurance with a leading insurance company against the risks of theft, fire, damage to third parties and to its Personnel.

13. Sustainability, Environment, Safety

13.1 With respect to the manufacture and supply of the Goods (including packaging materials), the Supplier shall comply with (i) the restrictions on substances such as Regulation (EU) No. 1907/2006 *et seq.* concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), and (ii) all EU environmental regulations. Throughout the entire business relationship, the Supplier shall adhere to (i) the principles, current and future regulations and requirements as instructed by the Buyer and (ii) the regulations and standards on quality and environmental management, thus including Italian Legislative Decree No. 116 of 3 September 2020 in Implementation of Directive (EU) 2018/851 amending Directive 2008/98/EC on waste and implementation of Directive (EU) 2018/852 amending Directive 1994/62/EC on packaging and packaging waste, amending Italian Legislative Decree No. 152 of 3 April 2006 Consolidated Environmental Act - Part IV.

The Buyer's commitment to Safety is total, and therefore requires the highest standards of Worker Safety and Health from the Supplier; all relevant statutory regulations apply.

14. Code of Ethics

14.1 The Buyer has adopted an "Organisational Model" suitable for preventing the offences envisaged by Italian Legislative Decree 231/2001. The Buyer's Code of Ethics applies to all purchase orders from the Buyer and can be consulted on the website www.baltur.it or shall be made available by simple request.

14.2 Subcontracting. Where subcontracting is used, which is allowed only in cases where it is made known in writing to the Buyer, and for operations that the Supplier is not technologically capable of conducting directly, the Code of Ethics shall be valid for all purposes, without prejudice to the responsibility of the Supplier to monitor it.

15. Force Majeure

15.1 Neither party shall incur non-performance for any delay or failure to perform its obligations under the Agreement if the same is caused by Force Majeure. The party claiming to be affected by a Force Majeure event shall promptly notify the other party in writing after becoming aware that such Force Majeure event has occurred or is likely to occur, and shall within ten (10) days thereafter provide evidence of the existence of the Force Majeure event, its occurrence and the expected duration of such Force Majeure event. For the purposes of this Clause, "Force Majeure" means any circumstance which is not foreseeable on the date of this Agreement or receipt of a Purchase Order, and is not within the reasonable control of the party at issue, including, by way of example but without limitation: strikes, lock-outs, shortage of labour due to redundancy, sickness or injury, commodity market shortages, civil unrest, uprisings, invasion, war, threat of war preparations, fire, explosion, storm, flood, earthquake, subsidence, epidemic, pandemic, or other natural disaster.

15.2 If the Force Majeure continues for a period of three (3) months or more after the notice, the party which is not struck by the cause of the Force Majeure can terminate this Agreement by giving no less than thirty (30) days' notice to the other party, but the termination notice shall not be effective if the party struck by the cause of the Force Majeure resumes full fulfilment of its obligations before the expiration of the notice period.

16 Intellectual Property

The Supplier acknowledges to the Buyer exclusive intellectual property rights for the conception, design and setting of specifications, drawings, information relating to the Goods produced on specifications, technical drawings, information distributed by the Buyer. Any drawings, plans, documents or technical information, software and any other industrial information (hereinafter collectively referred to as "industrial information"), transmitted or communicated, even verbally, to the Supplier, before or after the execution of the Agreement, shall remain the exclusive property of the Buyer and may only be used by the Supplier to the extent necessary for the proper performance of the Agreement. In particular, such industrial information may not be exploited by the Supplier, copied or reproduced, transmitted, communicated or disclosed to third parties without the prior written consent of the Buyer. Any industrial information transmitted to the Supplier shall be returned to the Buyer as soon as it is no longer required for the performance of the Agreement. The Supplier shall also comply with the provisions of this Article when the Buyer transmits or communicates to the Supplier industrial information of its Customers or other third parties. This clause shall also apply in the event of any subcontracting, with the Supplier remaining responsible for compliance.

17. Privacy

Pursuant to and for the purposes of Italian Legislative Decree No. 196 of 2003 and supplementing Italian Legislative Decree 101/2018 and EU Regulation 679/2016 (General Data Protection Regulation - GDPR), relating to the processing of personal data, the Buyer and the Supplier, having acknowledged the foregoing, hereby authorise each other to mutually process the personal data conferred within the scope of this Agreement, necessary for the performance of contractual obligations and of activities connected therewith. In the event that for the performance of the aforementioned activities it is necessary to acquire information or data from third parties, it is the responsibility of



each Party to provide the notice and to get consent where due.

18 Confidentiality

The parties shall classify and keep strictly confidential any information concerning the Agreement, and shall not disclose it to any third party, without the prior written consent of the other party, unless required by law.

19 Termination

19.1 The Agreement and/or any Purchase Order may be terminated by either party with immediate effect by notice in writing, without prejudice to any other rights and remedies provided for in the Agreement or elsewhere, and without incurring any liability, if the other party (i) has committed a material breach of the Agreement and has failed to remedy such breach (if remedy is available) within thirty (30) days after receipt of written notice of termination specifying the breach; (ii) resolves, or a court makes an order for, its liquidation, or if a receiver, liquidator, administrator or custodian is appointed on behalf of a creditor, or if circumstances arise which would enable a court or creditor to make an order for liquidation.

19.2 Following termination of the Agreement for any reason whatsoever, any obligation which, by its duration or nature, is to be continued and maintained beyond the date of termination shall continue after termination of this Agreement.

20 Governing Law

20.1 Unless otherwise agreed in writing, the Agreement shall be governed by the laws of Italy, with the exclusion of the provisions of private international law; any disputes shall be the exclusive competence of the Court of Ferrara, Italy.