



GENERAL CONDITIONS OF PURCHASE

Text approved on the 13th April 2021

Foreword

The company SPECIALINSERT S.r.l., Customer, and its quality system are certified according to UNI EN ISO 9001 and IATF 16949. These regulations require that the relationship with Suppliers be formalised in detail with the definition of purchasing specifications. To this end, the main purchase specifications and supply conditions which regulate the relationship between Suppliers and the company SPECIALINSERT S.r.l. have been defined below.

1) General notes

The present general conditions of purchase exclusively regulate the purchases of the company SPECIALINSERT S.r.l., for which reason any contractual conditions indicated or in any case practised by the Supplier in the event that such conditions differ from the present general conditions shall have no value and shall be understood to be of no effect.

2) Scope of the contract

The following will form an integral part of the contract concluded between the Suppliers and the commissioning company SPECIALINSERT S.r.l.:

- the general terms and conditions of purchase drawn up by one of the contracting parties, which shall be effective towards the other, if at the time of the conclusion of the contract the latter knew or should have known of them using ordinary diligence
- the special conditions expressly indicated and accepted by the Vendor and the Customer and approved in writing
- the Customer's documentation supplementing these general terms and conditions
- any technical document, study, report, in whatever capacity sent by the Customer to the Vendor
- the delivery note
- the invoice

3) Orders and formalisation of the contract

Acceptance of the order by the Vendor constitutes absolute and unconditional acceptance of these general conditions. Only orders sent in writing shall be valid. In the absence of written confirmation from the Supplier within 7 days of receipt of the order, the order shall be deemed accepted without reservation. Any specifications or modifications that the Supplier wishes to propose must be requested in writing **within 2 days** of receipt of the order and in turn authorised in writing by SPECIALINSERT S.r.l.

Any conditions relating to the supply which differ from those stipulated in the order will not be binding on SPECIALINSERT S.r.l.

The order cannot be changed, except by written agreement with a representative of SPECIALINSERT S.r.l.

4) Non-fulfilment

In the event of non-fulfilment of any of the contractual conditions, the company SPECIALINSERT S.r.l. will have the right to demand the fulfilment or termination of the contract, subject in all cases to compensation for damages.

5) Order Issuance

All purchase orders will be issued in writing and will contain the following information:

- company name of the company SPECIALINSERT S.r.l.
- order no. and date of issue
- code and description of the product purchased, both from the Supplier and the purchasing company
- specifications and technical characteristics
- quantity
- unit of measurement
- price
- terms and method of payment
- term, place and manner of delivery
- any particular conditions of purchase, also in derogation of the General Conditions

SPECIALINSERT S.r.l. will accept invoices for deliveries only if they refer to orders placed in the manner mentioned above.

6) Acceptance of Orders to Supplier

SPECIALINSERT S.r.l. will not accept variations in quotations for orders confirmed or after the period of tacit acceptance has elapsed. Any variations or revisions will only be accepted by agreement between the parties. The validity of such revisions shall never be retroactive.

7) Transport document

Deliveries shall be made in accordance with the conditions of the applicable "Incoterms" regulations specified in the purchase orders.

The delivery of Goods shall be accompanied by a transport document that shall indicate the following data detectable from the purchase order:

- order no. and date
- Supplier code
- Supplier's product code and corresponding seller's code
- description of the Goods
- unit of measurement
- quantity
- whether deliveries on account or balance

Other documents that must accompany the Goods when necessary or required:

- declarations of conformity
- test reports
- chemical analyses of materials used

8) Delivery

The delivery terms indicated are binding; the Supplier must punctually comply with the delivery terms and methods indicated in the purchase order; SPECIALINSERT S.r.l. will not accept late deliveries unless agreed in writing.

In the event of delays, beyond the 5th day, SPECIALINSERT S.r.l. reserves the right to terminate the contract, without any further obligation to give prior notice, and to obtain supplies from third parties. In

this case any differences in price will be borne by the Supplier, without prejudice to any other right of compensation for damages to the client. SPECIALINSERT S.r.l. reserves the right to claim compensation for any further damage caused to it directly or indirectly by the delayed, non-delivery, incomplete or incorrect delivery of the Goods or performance of the Services, including but not limited to damages for loss of production, loss of profit and any additional costs incurred by the company in acquiring the Goods or Services from other Suppliers as a result of the Supplier's non-fulfilment.

In the event of advance payments that are not expressly authorised by the Customer, the Customer may either reject the Goods with carriage at the Supplier's expense, or accept them, with payment taking effect from the delivery date specified in the order. Any deliveries in several deliveries, for breach of contract by the Supplier, must be received by SPECIALINSERT S.r.l. carriage paid.

Deliveries made after the 25th day of each month must be authorised in advance, under penalty of rejection of the Goods at the Supplier's expense.

The acceptance of the delivery is subordinate to the faculty of SPECIALINSERT S.r.l. to postpone the payment of 30 days with reference to what is contractually foreseen.

9) Transport

The transport of the Goods must be carried out with every care to preserve it from damage. The Goods shall always travel at the Supplier's risk until they are taken over at the purchaser's premises, even if the transport is at the latter's expense.

10) Product packaging

The Goods supplied shall be suitably packaged in order to avoid deterioration or loss of content. The cost of packaging (unless otherwise agreed in writing) shall be considered included in the price of the items supplied. The packaging shall be recyclable, with safety and stacking symbols UNI EN 20780. If the packaging is made of cardboard, it shall be marked "RESY" (as per Resy GmbH, a company that ensures the recycling of cellulose-based transport packaging) and "COMIECO" (as per Italian National Consortium for the Recovery and Recycling of Cellulose-based Packaging). Each package must be identified with a label where the following must be indicated: product code and description, quantities contained, the batch/date of production of the Supplier, name and code of the Supplier.

The Italian National Packaging Consortium (CO.NA.I.) contribution shall be indicated on the invoice.

11) Payments

For the commencement of payment, reference shall be made to the date of receipt of the Goods at the warehouses of SPECIALINSERT S.r.l.

Payments shall be made according to the conditions set out in the order, with the exception of the due dates of August and December, which shall be postponed to the 10th day of the following month. In the event of disputes concerning the supply, payment will be suspended until the dispute is settled, after which the terms indicated in the order will run, subject to the provisions of point 3.

12) Suitability of the means of production

The Supplier undertakes to set up, verify and maintain suitable means and processes of production to ensure that the products to be supplied comply with the prescriptions of SPECIALINSERT S.r.l. (standards, technical specifications etc.).

Where the prescriptions of SPECIALINSERT S.r.l. do not expressly provide for this, reference will be made to the applicable standards.

13) Responsibility

The Supplier declares that he is aware of Directive 85/374/CEE and of Italian Presidential Decree no.224 of 24 May 1988 relating to the manufacturer's liability for damage caused by a defect in one of his products. For the parts supplied, the Supplier will be obliged to indemnify SPECIALINSERT S.r.l. and to compensate for damages suffered by the same in the event of it being sued for strict liability for a defective product.

14) Quality

The Supplier guarantees that the Goods will:

- comply with the applicable legislation and with the highest safety standards
- conform to the provisions of the General Conditions, Purchase Orders and Technical Specifications
- free from defects in design, production or preservation
- compatible with any parts which may be assembled or fitted to the Goods in accordance with the Technical Specifications or other information provided by SPECIALINSERT S.r.l.
- suitable for the use for which they are normally intended or for the different uses desired by SPECIALINSERT S.r.l. and which may have been brought to the attention of the Supplier by the latter
- conform to the characteristics and quality of the specimens presented by the Supplier as samples or models

If the Goods fall within the scope of the REACH Regulation 1907/2006, the Supplier also warrants that the Goods:

- are supplied in full compliance with the pre-registration/registration and possible authorisation requirements of REACH 1907/2006
- are provided with the relevant safety data sheet and label in Italian language and up to date with the provisions of the law
- do not contain substances included in the "candidate list SVHC" (in a concentration > 0.1%), the presence of which has not been duly reported
- are supplied in full compliance with the specific restriction conditions defined in Annex XVII of REACH.
- In the event of a defect or non-compliance of the Goods with the guarantees provided for, SPECIALINSERT S.r.l. shall have the right at its discretion to avail itself of the following remedies:
- to request the elimination of the defect or non-conformity or the replacement of the non-conforming Goods or of the whole lot of which they form part at the Supplier's expense within a term set by SPECIALINSERT S.r.l.
- request a reasonable reduction in the price of the non-conforming Goods or of the lot in which the non-conforming Goods are found
- give notice of termination for non-performance of the Contract in respect of the non-conforming Goods or the Goods in whose lot the non-conforming Goods were found, refuse to pay the purchase price and demand the return of any amounts already paid by SPECIALINSERT S.r.l. in relation to the defective or non-conforming Goods.

Acceptance checks will be carried out within 15 days of receipt of the Goods.

However, any faults, defects and non-conformities may be discovered at any time before and/or after use in production, during and/or after placing on the market and during use.

14.1 Approval and Start of Production/Series Production

The Start of Production/Series Supplies procedure is required for all in the following cases:

- new product

- modified product and/or significant process changes

Following the assignment of supplies, the Purchasing Department, in agreement with the Quality Assurance department, provides the Supplier with the following basic information:

- product identification data
- any reference specifications
- documentation to be submitted at the time of sampling (see section 1.7.2.1)

Submission of PPAP sampling

Sampling is initiated with the delivery by the Supplier of a minimum of 25 samples accompanied by a transport document with the reason for sampling. The transport document number will be stated on the approval file towards the Supplier. Sampling must be carried out with definitive equipment. The packaging must be marked with special identification bearing the words "SAMPLING PARTICLES".

The minimum PPAP documentation required is as follows:

- Dimensional certification: document showing all the dimensional characteristics required in the drawing and verified on no. 6 parts (CQC; dimensional surveys etc).
- Material certification: document showing all the characteristics required by the reference specifications and verified on the material itself (only raw material certificates 3.1 or alternatively 2.2 admitted - subject to derogation SPECIALINSERT S.r.l. -according to UNI EN 10204)
- Coating certification: galvanising/painting certificate
- Inspection plan
- Packaging sheet

Possible additional requests:

- Data entry on IMDS system
- Heat treatment certification: certificate with post-treatment hardness detection
- Photographs of equipment (open mould) and any control gauges

Following the checks carried out on the samples and documentation received, SPECIALINSERT S.r.l may issue the following judgments:

- Approval is granted:* when it is found that the samples fully comply with the requirements specified in the order, in which case the Supplier is authorised to supply. The supply shall be carried out with the same methods, technologies and processes with which the sampling was produced. Any substantial changes to the production process must however be agreed upon in advance.
- Approval is not granted:* when, there is no complete correspondence of the work carried out to what was requested. On the approval document, the points of Non-Conformity that the Supplier will be required to rectify in order to obtain approval; approval may possibly be granted after a second supply has been sent in which complies with all the specification requirements.

14.2 Approval of out-sourced thermal and surface processes

The approval process for out-sourced processes is required in the following cases:

- new surface treatment
- significant modifications of the surface treatment process
- new heat treatment

- significant modifications of the heat treatment process

Following the awarding of supplies, the Purchasing department in agreement with the Quality Assurance department provides the Supplier with the following basic information:

- product identification data
- any reference specifications
- type of treatment to be carried out
- documentation to be submitted upon first supply (see point 1.7.2.1)

14.3 Submission of documentation for treatment approval

The practice of approval on the treatment performed is initiated with the delivery by the Supplier of the first supply; the material must be accompanied by the appropriate documentation; the transport document will report an additional entry with the reason "documentation for treatment approval". The DDT number will be shown on the approval file to the Supplier.

The required documentation is as follows:

- Coating certification: galvanising/painting certificate (e.g. x-fischer certificate)
- Certification of heat treatment: certificate showing post-treatment hardness and description of the type of treatment carried out.

Following the checks carried out on the documentation received, SPECIALINSERT S.r.l. may issue the following judgments:

- Approval is granted:* when complete compliance with the requirements specified in the order is found, in which case the Supplier is authorised to supply. The supply shall be carried out with the same methods, technologies and processes with which the first delivery was made. Any substantial changes to the process shall however be agreed upon in advance.
- Approval is not granted:* when, there is no complete correspondence of the work carried out to what was requested. On the approval document, the points of Non-Conformity which the Supplier will be required to rectify in order for it to be entrusted with the machining; approval may possibly be granted after a second delivery has been sent in which conforms to all specification requirements.

14.4 Subsequent Orders

Following the favourable outcome of the sampling, SPECIALINSERT S.r.l. may issue purchase orders that provide for the supply of products that have obtained approval according to established conditions (volumes, price and delivery times). Depending on its production schedules, and on the basis of the above-mentioned orders, SPECIALINSERT S.r.l. will send the Supplier periodic "Supply Orders" specifying types and quantities of products to be supplied on established dates. Suppliers are obliged to comply with the stipulated dates on 100% of deliveries.

14.5 Free access to inspectors of SPECIALINSERT S.r.l and the end Customer

The Supplier must guarantee free access to its premises during the entire delivery period to SPECIALINSERT S.r.l. and the end-Customer's inspectors in order to carry out the checks deemed necessary to ascertain the Quality of the product. This check does not exclude a possible later refusal in the event of anomalies either by the organisation or by the Customer.

14.6 Acceptance Testing

SPECIALINSERT S.R.L.'s 'Acceptance Tests' Department reserves the right to verify the supply lots. The outcome of these checks determines the acceptability of the supply lot.

15) Non-conformity

The Supplier, faced with complaints of non-conformities, flaws or defects, undertakes to carry out all the checks necessary to identify the causes and to implement and communicate the corrective actions necessary to resolve the anomalies. Should the Goods already placed on the market prove to be defective, non-compliant with the Technical Specifications or in any case dangerous, the Supplier undertakes to cooperate with any recall campaign or withdrawal of the Goods from the market that SPECIALINSERT S.r.l. should implement and to reimburse SPECIALINSERT S.r.l. for the costs of the recall campaign, including the cost of the hours/labour of personnel and external consultants used for the campaign. The guarantees and remedies expressly provided for in this article are to be understood as additional to and not in substitution for the other remedies and guarantees provided for by law in the event of defects or non-conformity of the Goods. Notwithstanding the provisions of Article 1512 of the Italian Civil Code, the term for reporting defects or non-conformities of the Goods shall be 60 (sixty) days from their discovery.

16) Invariability clause

A fundamental condition for the reliability of the Product is the maintenance of the mechanical, physical, chemical characteristics of the component itself or of the production process, according to the technical specifications provided by the Vendor.

Should the Supplier wish to propose modifications to the materials, the production process and/or final testing, which may have an influence on the product, these must be reported in advance so that SPECIALINSERT S.r.l. may evaluate them in advance. All proposed modifications must be reported in writing.

17) Confidentiality Clause

The Supplier acknowledges and recognises that SPECIALINSERT S.r.l. is the owner of the Confidential Information and holder of any related intellectual property rights. The Supplier is bound to:

- keep the Confidential Information secret and not disclose it to any third party;
- put in place all measures and precautions reasonably necessary and appropriate to prevent the disclosure and unauthorised use of Confidential Information;
- at the end of the supply, or even earlier at the request of SPECIALINSERT S.r.l., immediately return all documents and material supplied (drawings, moulds, samples) containing Confidential Information and to destroy any hard copies or those present on other media
- use the Confidential Information only to the extent necessary for the performance of the Contracts
- not reproduce or copy the Confidential Information except to the extent expressly authorised by SPECIALINSERT S.r.l
- not to patent or register as a trademark, design or model any information or data contained in the Confidential Information
- limit the dissemination of Confidential Information within one's own organisation to employees whose duties justify the need to know such Confidential Information
- inform employees within one's own organisation who become aware of Confidential Information of the confidentiality commitments relating to it
- not developing for third parties and/or supplying to third parties, for any reason whatsoever, directly or indirectly, products produced by exploiting Confidential Information
- to impose and guarantee the respect of the obligations deriving from the present article on any third party to whom the Supplier has to transmit the Confidential Information in the context of the execution of the Contracts, it being understood that the Supplier will be responsible to

SPECIALINSERT S.r.l. for any violation of the obligations deriving from the present article with respect to the Confidential Information committed by said third party.

Neither these General Conditions nor the disclosure of Confidential Information provided for herein shall be construed as giving the Supplier any rights to licences over patents, patent applications or any other industrial property rights over information and data included in the Confidential Information.

18) Inspections

The Supplier, subject to prior agreement, will permit SPECIALINSERT S.r.l.'s appointed personnel to carry out Quality System audits and/or inspections of the products supplied at the Supplier's factory.

19) Supplier Evaluation

The UNI EN ISO 9001 and IATF 16949 standards require that Suppliers be evaluated not only on the supply price of products, but also on the effectiveness of their Quality System. The Supplier Quality System Assessment Questionnaire forms the basis on which inspections are subsequently carried out.

The non-conformity reports, the questionnaires, the inspections will be the elements of evaluation that will allow the name of the Supplier to be registered in the qualified SPECIALINSERT S.r.l.'s "List of Suppliers"

20) Final Provisions

These general conditions replace and supersede any other agreements between the parties and may only be modified by specific written agreement between the parties.

21) Jurisdiction

The Court of Turin shall have exclusive jurisdiction to hear and decide any disputes of the parties.