

GENERAL PURCHASING CONDITIONS

1) DEFINITIONS

In these General Purchasing Conditions (hereinafter “G.P.C.”), the following definitions shall have the following meaning:

- “**AGRATI**”: the company A.AGRATI S.p.A., with registered office in Veduggio (MI), via Piave no.28/30, and all Italian and foreign subsidiaries and affiliates;
- “**Supplier**”: the company receiving the purchase order from AGRATI;
- “**Product/s**”: any product or service supplied by the Supplier to AGRATI;
- “**Purchasing Agreement**”: an Order or Supplier acceptance of that Order, expressed and through finalising conduct, with no changes, exceptions and/or conditions of any kind, which must be considered an integrating part of the General Purchasing Conditions;
- “**Order**”: the Purchase Order of AGRATI transmitted to the Supplier by post, digitally, by electronic file via Internet, or in any other written form agreed by the Parties.

2) PURPOSE

These G.P.C. as detailed and integrated by a specific Purchase Agreement, are the sole terms and conditions by which AGRATI is willing to purchase the Products of the Supplier.

More specifically, any further terms and conditions reported in the offer and/or the acceptance of the Supplier or in any document transmitted to AGRATI will not be applied and may in no case be considered an integrating part of any agreement finalised between AGRATI and the Supplier for the purchase of Products.

3) FIELD OF APPLICATION

These G.P.C. shall apply to all supply relationships between AGRATI and the Supplier, including those established digitally.

If there should be any contrast or incompatibility between these G.P.C. and special provisions contained in specific supply contracts, the special provisions shall prevail over the general ones related to the scope of the single Supply Contract.

The Supplier declares that it accepts these G.P.C. in full and waives enforcing its own General Terms of Sale with AGRATI, reported anywhere. Any amendment and/or integration to these G.P.C. must be agreed in writing by AGRATI and the Supplier.

4) ORDERS AND ACCEPTANCE OF TERMS OF PURCHASE

Any Purchase Agreement is finalised through an Order issued by AGRATI and its acceptance by the Supplier. That acceptance may be expressed through finalising or tacit deed, as better detailed below.

Each Party will send the other Party the aforementioned communications: (i) on paper by ordinary post or fax, as long as they are duly signed by the representative of the Party in question, or (ii) by electronic means, through internet, using service portals prepared for the purpose and models duly agreed and using the electronic mail addresses notified by one Party to the other and updated when needed.

In any case, the Orders will be considered as accepted when they are received by the Supplier, unless the Supplier notifies AGRATI of its intention not to accept them in one of the following ways and in the following terms: (i) on paper, by letter to be received by AGRATI within 72 (seventy two) hours from receipt of the Order; (ii) via email, within 72 (seventy two) hours from receipt of the Order. The Supplier starting to execute the Order shall constitute acceptance of the Order by the Supplier itself, even without other formalities.

5) DELIVERY

5.1 Delivery terms

Delivery terms agreed with the Supplier must be considered as essential in the interest of AGRATI. Therefore, the Supplier undertakes to deliver the Products in compliance with the terms indicated in the specific Order and with instructions received from AGRATI.

The Supplier must deliver the Products to the place indicated in the Order and shall make sure that when delivered the Products are accompanied by the specific document of transport (“DOT”), containing all the necessary information.

5.2 Late delivery

If there should be any Supplier delay in delivery, not depending on force majeure circumstances as regulated below in these G.P.C., AGRATI will have the right, with prior written communication to the Supplier, to obtain supplies, in full or partly, from alternative suppliers, debiting to the Supplier costs and expenses.

If the non-supply of goods within terms established should cause disputes against AGRATI by the final customer, AGRATI reserves the right to charge those costs to the Supplier.

AGRATI also reserves the right to terminate the product purchase order immediately, in full or partially, through a simple written communication, with no prejudice to the right to request compensation for any further damages from the Supplier, together with the amounts indicated in the previous article. If there should be a delay in delivery of the Products that exceeds 60 days from the term agreed, AGRATI shall have the right to immediate repayment of any sum paid to the Supplier as an advance on the price; together with the right to request termination of the Purchase Agreement pursuant to Art. 14 of these G.P.C..

The amounts owed by the Supplier to AGRATI, due to application of the provisions listed above, may be settled through compensation with any amounts owed by AGRATI to the Supplier, not yet expired, resulting from supply relations in progress.

5.3 Quantitative Conformity

The Supplier guarantees the quantitative conformity of the Products with what is agreed and with what is declared in the bill of shipment.

If any non-quantitative conformity of Products should be detected compared to what was agreed or compared to what is declared in the bill of shipment, AGRATI will have the right to:

- (a) accept the quantitative differences with possibility to increase or decrease the quantities of any future supplies.
- (b) reject the surplus supply part with the possibility, if the Supplier should withdraw it immediately, to send the surplus back to the Supplier at the expense and risk of the latter.
- (c) With no prejudice to what is set forth in art.5.2, above AGRATI may ask the Supplier to send the missing products immediately, with it understood that any greater charge or expense shall be the liability of the Supplier. In that case, the Supplier undertakes to send the missing Products immediately.

6) FORCE MAJEURE

The Supplier will not be responsible for any delays in supplies if that delay is effectively and solely due to natural calamities, revolts, national strikes (if

not pre-announced and foreseeable by the Supplier), fires and other unforeseeable events, completely beyond any possibility of control by the Supplier. If those hypotheses should occur, the Supplier must notify AGRATI immediately, communicating what measures have been taken to remedy the problems. If the force majeure occurrence should cause a delay in delivery of more than 15 (fifteen) days, AGRATI will have the right to (i) terminate the Purchase Agreement to which the force majeure event is related, notifying the Supplier in writing by registered letter and (ii) be refunded all sums paid to the Supplier in advance.

In no case may delays caused by a sub-supplier of the Supplier constitute a force majeure event pursuant to and for the purposes of this article, unless they have been in turn caused by force majeure events, as described above.

7) PRICES

The price of the Product (hereinafter "Price") is the one indicated in the Order, inclusive of all costs and expenses detailed in the Order and/or connected in any way to the supply of the Product ordered and is intended as fixed and invariable.

Any Price variations must be agreed in advance in writing with the Purchasing Office of AGRATI.

8) BILLING

Acceptance of delivery, reception and/or payment of invoices may in no way be considered as qualitative or quantitative acceptance of the Products.

9) PAYMENT

AGRATI will make payment at the due date established in the Orders, subordinate to receipt of the documents requested and duly filled in. Any amounts owed by AGRATI to the Supplier pursuant to this Agreement or under any Order and/or Purchasing Agreement may be offset, at AGRATI's discretion, against any amounts payable by the Supplier to AGRATI.

10) CONFORMITY OF PRODUCTS

10.1. Regulations

If the Product should be subject to provisions set forth in laws in force (e.g. safety, anti-pollution, etc.), the Supplier will be obliged to prepare specific documentation which shows that the Product conforms to the above-mentioned regulatory provisions. Those documents must be kept by the Supplier and be delivered to AGRATI at a request made by the latter.

The Supplier will also be obliged to supply the Products in compliance with what is stated in the Group Supplier Quality Manual of AGRATI. The Supplier will be obliged to impose similar obligations on any sub-suppliers.

If the Supplier should be in default of the provisions indicated herein, AGRATI reserves the right to withdraw from the Agreement, with expenses solely the liability of the Supplier; also reserving the right (i) to return the non conforming goods or (ii) to request the immediate replacement of the goods with others conforming to the regulations indicated.

10.2. Conformity of Products and Quality Control

The Supplier undertakes to implement every working process able to guarantee the quality of the Product supplied. In particular, if requested, the Supplier undertakes to certify the product guaranteeing that it has been processed, produced and controlled in compliance with processes that guarantee the conformity of the goods with what is agreed.

The Supplier also undertakes to supply Products that: (i) conform with the technical specifications and/or any exceptions, agreed by the Parties and granted in writing by AGRATI, of the product Ordered or, if the Order does not specifically indicate it in full or partially, with those declared by the Supplier in the offer presented to AGRATI and (ii) are exempt of any flaw or defect in accordance with the technical specifications of the Product itself. AGRATI reserves the right to ask the Supplier for compensation for all greater damages resulting from the Product not conforming with what is set forth in this article.

10.3 Traceability

If requested, the Supplier undertakes to apply a traceability system based on the AGRATI requests.

10.4 Trade mark and identification

The Products supplied must be marked, packed and identified, in compliance with AGRATI requests.

For that, the Supplier shall insert the trademark AGRATI, or other trademarks and/or distinctive signs belonging to AGRATI and at an indication of AGRATI, on the Products and/or packs according to methods and instructions received from AGRATI.

That use must not lead to any Supplier claim of any kind to the trademark. Supplier use of the trademark must cease immediately at a specific request from AGRATI and, in any case, if the supply relationship should be terminated.

Products marked AGRATI, or with other trademarks and/or distinctive signs belonging to AGRATI, may not be transferred to third parties except with written permission from AGRATI.

If the end customer's is the sole trademark affixed to AGRATI Products, the Supplier undertakes to communicate any other users of those Products.

10.5 AGRATI Product Codes

- (a) The Products will be identified by the Product Codes attributed to them by AGRATI. The Supplier acknowledges and recognises that those codes are part of a numerical system prepared by AGRATI and of which AGRATI is the sole owner.
- (b) Consequently, the Supplier will use that identification solely for the supplies established through these G.P.C., hereto undertaking to cease that use when the supply period terminates.
- (c) The AGRATI codes must be entered on the following documents: order confirmation, transport documents, invoice; quality and conformity certificates; The AGRATI codes must also be inserted on the Product identification labels.

10.6 Documentation

The Supplier undertakes to store contractual documents for at least 5 years from the supply date. For safety Products, control results must be kept for at least 15 years.

10.7 Controls

In order to check compliance with what is set forth in the clauses in this article, the Supplier will permit AGRATI, at a written request from the latter, to enter its factories to inspect, audit and control production processes, means of production and processing methods.

10.8 Changes and Updates

During execution of any supply relationship, AGRATI will have the right to make any changes and/or adjustments to the Product made by the Supplier, within times agreed.

The Supplier hereto undertakes to supply those new Products to AGRATI, with prior written agreement with the latter for the economic aspects and any leftover pre-change Products.

The Supplier also undertakes to notify AGRATI of the introduction of changes, whether related to the Product (e.g. use of alternative materials permitted) or related to the production process.

11) GUARANTEES - RESPONSIBILITIES

11.1) Defective products

The Supplier responds for the quality of Products supplied and is the sole party responsible for their non-conformities or defects.

If AGRATI should detect a defect in the Products, AGRATI will have the right to: (i) obtain, at the expense of the Supplier, immediate selection and

replacement of the Products involved or, at a choice by AGRATI, of the entire batch they belong to, (ii) select and recover, at Supplier expense and risk, the Products involved with additional processing, in urgent cases or those in which the Supplier is not able to provide immediate replacements or in other cases agreed with the Supplier, (iii) debit resulting fixed costs and costs for labour not used and/or additional labour needed to handle the delays caused by Supplier non compliance, (iv) charge the Supplier for any debits received from the AGRATI client following delivery of the defective Products, reserving the right to charge the Supplier for greater damages.

AGRATI undertakes to notify the Supplier of defects detected within 60 days from when the defect is detected by AGRATI or notified by third parties.

11.2) Product Liability

The Supplier undertakes to finalise and maintain, for the entire supply relationship duration, one or more insurance policies stipulated with primary insurance companies, adequate to cover its product liabilities, including any recall campaigns that could be brought against AGRATI. The supplier will therefore be obliged to refund AGRATI for all and any damage to the latter arising from any finished product defectiveness. The Supplier undertakes to send AGRATI a copy of the policy signed in a timely manner.

12) INDUSTRIAL PROPERTY RIGHTS AND CONFIDENTIALITY

If AGRATI should provide the Supplier with drawings, projects, prototypes, technical documents, confidential provisions and information, know-how etc. needed to create the Products, AGRATI will have all intellectual rights to them. The Supplier may not use them for purposes other than those agreed in the Purchase Agreement and may not transmit them to third parties or disclose them without the prior written consent of AGRATI.

If it should incorporate some intellectual property right that it is the owner of in the Product, the Supplier undertakes (i) to notify AGRATI, (ii) to guarantee that it has obtained the consent to use those rights owned by third parties and (iii) to take on the defence, if requested, and the relative expense, relieving and holding AGRATI harmless of any claim and/or demand made by third parties founded on a breach of intellectual property rights related to the Product supplied to AGRATI.

The Supplier shall treat as confidential information of any kind that is not of public domain that it should gain knowledge of connected to the negotiation or execution of the Purchase Agreement, and will not publicise its commercial relations with AGRATI without the prior written consent of AGRATI.

13) ASSIGNMENT

13.1) Non-transferability

The rights and obligations conferred under the Purchasing Agreement may not be assigned by Supplier to any other company without the prior written consent of AGRATI. In case of violation by the Supplier, AGRATI shall have the right to terminate the Agreement immediately.

13.2) Change of control

In the event of a change in control or ownership of Supplier, whether by merger, sale, consolidation or otherwise, or in the event of a sale of all or substantially all of the assets of Supplier, AGRATI shall have the right, but not the obligation, to consider the Purchase Agreement immediately terminated upon such event..

14) TERMINATION OF THE AGREEMENT

AGRATI may terminate any Purchasing Agreement regulated by these G.P.C.: (i) if the products should not correspond to the technical or qualitative requirements agreed, (ii) if the Supplier should be in default over even just one of the provisions in these G.P.C., (iii) if the Supplier is declared bankrupt or insolvent or makes an assignment for the benefit of its creditors, or any proceedings are commenced, voluntarily or involuntarily, by or against the Supplier under any bankruptcy or similar law.

In all these cases, the Purchase Agreement will be terminated through simple notification to the Supplier; with no prejudice to AGRATI to request any further damage.

Any early termination of the Supply Contract due to one of the cases described above will not imply any liability for AGRATI towards the Supplier.

15) GOVERNING LAW AND JURISDICTION

All Agreements regulated by these G.P.C. are governed by the law of the State in which AGRATI has its registered office.

If a dispute should arise related or connected to these G.P.C., including their validity, interpretation, execution and termination, the Parties shall attempt to find an amicable solution. If no agreement can be reached, the dispute will be submitted to the exclusive jurisdiction of the Court where AGRATI has its registered office.

16) FINAL PROVISIONS

If any provision of this Agreement is held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. Any amendments to these G.P.C. or to a specific Purchase Agreement will only be valid and effective if they are approved in writing by AGRATI.

These General Conditions of Purchase will come into effect from the date they are signed by the Supplier; if there should be any difference between provisions in these G.P.C. and those in an Order and/or a Purchase Agreement, those in the Order and/or Purchase Agreement shall prevail.

AGRATI and the Supplier accept the processing of their personal data pursuant to applicable laws and regulations.

SUPPLIER SIGNATURE FOR ACCEPTANCE:

Company Name:

Name:

Title:

Date:

Stamp and signature: