

GENERAL TERMS OF PURCHASE

REV.	EDITED BY	DATE	CHECKED BY	DATE	APPROVED BY	DATE
00	DACQ – M. Colombo	06/06/23	DQ- G. Broffoni	06/06/23	CEO – A. Galmarini	06/06/23
REV.	PARAGRAPH	DESCRIPTION OF MODIFICATION				
00	All	First Issue				

Index

IMR-INDUSTRIALESUD S.P.A

General Terms of Purchase

I. Scope

1. The General Terms of Purchase of IMR-INDUSTRIALESUD S.p.A. (hereinafter “IMR”), as set out below, exclusively govern the supply of goods and services to IMR.

The general terms of sale of the supplier (hereinafter the “Supplier”) shall only apply if, and insofar as, expressly accepted in writing by IMR in the person of its President, Chief Executive Officer or an authorized representative.

II. Manner of Supply

1. For all types of purchases from the Supplier, IMR shall only use its own forms (hereinafter the ORDERS).

2. The Supplier undertakes to provide IMR with written acceptance of the Order via fax or e-mail, within 48 hours of the Order itself, by returning copy of said Order duly signed at the bottom.

Should the Supplier fail to convey acceptance of the Order to IMR, IMR shall consider the Order in question as accepted unless it receives specific written notification indicating the contrary.

3. IMR reserves the right to carry out any change to an Order by means of updating said Order. Each Order change shall be deemed as accepted by the Supplier in the event the latter not inform IMR of its refusal thereof, by Registered Mail or PEC within 48 hours from receipt of relative variation.

III. Delivery

1. The parties acknowledge that the terms of delivery of the products are to be deemed essential terms.

2. The Supplier shall promptly inform IMR of any delays with deliveries and shall indicate corrective actions to reduce the detrimental consequences due to its own non-fulfillment.

3. In any case, any delay with the delivery of products shall entitle IMR to apply a penalty that may be set off against the amount due, for each week of delay, equal to 2% of the value of that portion of the Order which was delivered late.

IMR’s right to compensation for any proven greater damage incurred, including direct or indirect damage, remains unaffected.

IV. Order Prices and Payments

1. Unless otherwise agreed in writing, all prices shall be deemed as set and invariable, for the entire duration of the supply and inclusive of packaging, transportation and delivery.

2. IMR is entitled to offset its debts towards the Supplier on the basis of the supply agreement with the credits claimed by IMR, for whatever reason and not yet due, including those deriving from Supplier non-fulfilment and those not deriving from the supply agreement.

3. The Supplier may not assign its receivables or other economic benefits deriving from the supply agreement, either in part or in full, without IMR’s prior written consent.

4. Payment, will under no circumstance constitute acknowledgement of product conformity to the supply order, or of the Supplier’s proper fulfilment of its obligations under the supply agreement.

V. Transfer of Risk

1. Risk for damage, loss or wear, caused for whatever reason, shall be transferred to IMR upon delivery of the goods, in accordance to the corresponding delivery Incoterm.

2. In the absence of specific or other instructions concerning the manner of delivery of the Order, delivery shall be carried out DDP (Delivered Duty Paid – INCOTERMS 2010) to IMR’s premises.

VI. Acceptance and Claims

1. IMR shall be entitled, but is not obliged, to inspect the goods upon their delivery in order to check that they conform to agreed terms. Under no circumstances, shall product delivery constitute an

implicit declaration that received goods are compliant to order, nor shall it prevent IMR from submitting future claims or from exercising its rights under the supply agreement.

2. Without prejudice to the provisions indicated in the preceding point 1., IMR is expressly entitled to exercise the following rights, simply by notifying the Supplier in writing:

- the right not to accept partial supplies or rather supplies in excess of those agreed upon, and in such case to refuse and return the delivered goods which are discrepant to agreed terms of delivery at the Supplier's risk and expense;
- the right to terminate the supply agreement by simply notifying termination, in writing, to the Supplier, in the event Supplier seriously breaches contractual obligations concerning delivery and/or non-compliance of the delivered products and the right to procure the entire supply referred to in this agreement, or part of such supply, from other suppliers, and in such event charge the Supplier for any higher costs it incurred.

IMR's right to assert compensation for eventual direct or indirect damage remains unaffected.

3. The Supplier waives its right to object that actions are time-barred due to failure to report the faults within the terms established by law.

4. For information correlated to supply Quality see MOD 072 "Supply Quality Specifications".

VII. Conformance, Warranties, Defects

1. The Supplier warrants that the Products are devoid of any defects and conform to promised specifications, together with any other technical specification eventually agreed between IMR and the Supplier, as well as , in general, the highest quality standards for that product category.

2. Should any defects and/or non-compliances of the Products be detected, IMR shall notify the Supplier thereof, in writing within 45 days, specifying the motivation for the claim. In the event of evident defects or faults, said term shall run from the date of first use of the products by IMR; in the case of hidden defects or faults, or of the malfunctioning of the Products, said term shall run from the discovery of such defects, faults or malfunctioning.

For each case of non-compliance detected, IMR will charge the Supplier a fixed administrative fee of €250.

3. The Supplier shall be bound to promptly replace the defective or non-conforming Products with conforming Products free of charge, whilst bearing all costs pertaining to the collection and delivery of the Products, in addition to all costs borne by IMR for any selection, reparation, rework, and any claim related activity required in order to reinstate the required quality standards. It is understood between the Parties that the damaged Products will not be accepted by IMR if the defects are ascribable to supplies attributable to the Supplier; in all these cases IMR, will issue an invoice charging the Supplier, in addition to any aforementioned costs, the cost corresponding to the damaged products. Likewise, IMR will proceed in charging the Supplier Products which have been internally disputed and/or are not accepted by IMR's Final Customer.

4. The warranty on all Products shall be for a period of 24 months, effective from the date of the initial use of such products.

5. The Supplier also undertakes to indemnify IMR, also beyond the terms of warranty, against any damage or expense that may arise directly or indirectly to IMR as a result of Product defects, malfunction or non-compliance for which the manufacturer may be deemed liable under the law or EU regulations.

6. The Supplier shall notify IMR at least 4 (four) months in advance, of any changes to product production or process. It shall also notify IMR at least 6 (six) months in advance of any end of production.

VIII. Termination and Annulment of Supply Contract

1. IMR shall be entitled to terminate the supply agreement in the event the Supplier breaches any of its obligations under such agreement and fail to remedy such breach within the deadline established by IMR at the time written notice of the breach was submitted.

IX. Intellectual Property

1. The Supplier warrants being in possession of all patents, trademarks, know-how, intellectual property or industrial ownership rights it used during manufacturing and sale of the products supplied, and to relieve and indemnify IMR and its assignees against any damage, charge or liability deriving from breach of this warranty.

2. Should any patentable invention be achieved during the collaboration between the Supplier and IMR, each Party shall be entitled to submit patent applications pertaining to inventions created autonomously by its own employees.

3. Should the created inventions derive from joint activities carried out by employees of both Parties, the corresponding patents shall be the joint property of the two Parties.

4. It is however understood by the Parties that the Supplier will not make use of patents obtained at the time of collaboration with IMR, without IMR's prior consent.

X. Constructions based on IMR's drawings and models

1. IMR's drawings and models may not be copied by the Supplier, or transmitted to other persons, or used by the Supplier for any purpose. The production of materials based on IMR's drawings, models or samples shall be limited by the Supplier to those quantities to be supplied to IMR and the Supplier undertakes to destroy any scrap materials.

2. The Supplier acknowledges it is illegal to manufacture and sell, beyond the scope of supply, materials based on IMR's drawings, models or samples for the purpose of their employment in production or for the purpose of supplies, spare parts or accessories of any kind, regardless of whether such materials are produced or are placed on sale with reference, or otherwise to IMR's name, trademarks or distinctive signs.

3. Equipment (gauges, molds, special equipment and checking devices, etc.) that IMR provides the Supplier with for the fulfilment of one or more Orders remain the property of IMR. The Supplier is responsible for their safekeeping and maintenance and must return them to IMR upon simple request from the latter, and for using it exclusively towards production destined for IMR and its subsidiaries.

XI. Confidentiality

1. The Supplier undertakes to keep confidential, and not to divulge any confidential technical or commercial information received from IMR during the execution of this agreement to which these General Terms apply, for the entire duration of said agreement and for an additional period of 3 years subsequent to expiry and/or termination of the agreement for whatever reason.

XII. Non-Solicitation of Employees

1. The Supplier undertakes, for the duration of the agreement to which these General Terms apply, and for a further period of 12 months subsequent to expiry of said agreement, not to offer IMR's employees any employment, be it subordinate or freelance, occasional or continuous. Should the Supplier fail to comply with this undertaking, and should non-compliance not have been expressly authorized in writing by IMR, the Supplier must pay a penalty, without prejudice to greater damages (for costs for the selection, hiring and training of new employees, nonetheless for the losses incurred during the interruption of projects in which the employee in question was involved), amounting to the total pre-tax cost of the employee borne by IMR during the month prior to termination of that person's employment, multiplied by twelve.

XIII. Jurisdiction and Applicable Law

1. Any dispute regarding these General Terms of Purchase for the trading/supply they govern shall come within the exclusive jurisdiction of the Court of Milan.

 IMR-INDUSTRIALESUD SPA	GENERAL TERMS OF PURCHASE	Mod. 072B Rev. 00
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2. These General Terms of Purchase and the sale/supplies to which they apply shall be governed by Italian law, and shall not be subject to the provisions of the Vienna Convention.

XIV. Sustainability

1. IMR and its affiliates expect their Suppliers to accept the “Supplier Code of Conduct” available in IMR’s website, and to carry out its activities in conformance to the requirements established in same. The Suppliers must immediately inform IMR of all violations towards the “Supplier Code of Conduct”.
2. IMR and its affiliates recommend that their Suppliers establish an internal policy (for example, a Code of Conduct) coherent to the principles and requirements established in the “Supplier Code of Conduct”.

