

# GENERAL CONDITIONS OF PURCHASE

**T.M.L. S.r.l**

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## **ART 1 - GENERAL CONDITIONS OF PURCHASE**

All purchases, services and works requested by T.M.L. S.r.l. to its suppliers (the "Suppliers") will be regulated by the present GENERAL CONDITIONS OF PURCHASE (the "General Conditions"), as well as by each purchase order.

It is hereby specified that all the relevant Italian regulations and laws shall be applicable; in particular, the supplies shall scrupulously comply with the provisions of the Italian Legislative Decree no. 81/2008, as amended from time to time, with the subsequent supplementary and special regulations and with all the environmental and worker protection laws, as applicable from time to time. In particular, the Supplier guarantees full compliance with labor, social security and tax laws relating to the management of its employees, who in no way will be entitled to claim any kind of relationship of subordinate or para-subordinate nature with subjects other than the Supplier itself.

In the absence of explicit guarantees by the Suppliers, the guarantees contained in the UNI, ISO, CEI, EN, CUNA etc. standards shall be considered valid.

For the supply and use of fire-fighting materials, Suppliers are required to comply with the relevant safety regulations in force.

The Supplier acknowledges and confirms:

- to have had the opportunity to carry out a detailed analysis of the requirements of these General Conditions and to have asked T.M.L. S.r.l. all the questions considered important for the positive evaluation of its capacity to supply the goods and/or services object of these General Conditions;
- to have received from T.M.L. S.r.l. all the information required for a considered evaluation of its capacity to supply the goods and/or services object of the present General Conditions.

## **ART 2 - CONFIDENTIALITY**

The information contained in this document is owned by T.M.L. S.r.l. and cannot be used, copied or communicated to third parties for purposes other than those for which it has been supplied, without the written consent of T.M.L. S.r.l.

For any other requirement related to the confidentiality of the data, please refer to the "Confidentiality Agreement" herewith attached, to be considered as an integral part of the present General Conditions.

## **ART 3 - PURCHASE ORDERS**

The contractual relationship arising from the execution of the order (order confirmation) is governed exclusively by the specific conditions expressed in the order itself and by these General Conditions that may be waived only by written agreement between the parties. Consequently, these General Conditions supersede and replace any and all other clauses and/or general conditions of sale contained in the Supplier's estimates, offers and order confirmations.

It is expressly agreed that the order confirmation implies the Supplier's acceptance of both what is stated in the order itself and of the contents of the documents eventually referred to therein, as well as of these General Conditions. In case of doubt, the Supplier shall refer to the compiler of the order. In case of contracts with continuous or periodic execution, the same provisions shall apply to the individual supplies.

## **ART 4 – DELIVERY METHODS**

Where not expressly indicated otherwise, packaging is considered included in the prices indicated in the purchase order. All failures due to lacking, imperfect or incorrect packaging will be charged to the Supplier. All damages caused by the carrier will be at Supplier's charge, if the transport is at its charge, until the delivery and acceptance at T.M.L. S.r.l.'s offices or other place indicated by the latter in writing.

The Supplier will be obliged to compensate the damages deriving from any delay, loss or damage due to deficiencies or non-conformities of packaging, shipment and/or transport. Unless otherwise specifically agreed upon in writing, the delivery of the ordered goods, for the purpose of ascertaining

the respect of the delivery terms and the transfer of the risk of the goods from the Supplier to T.M.L. S.r.l., takes place at the moment of the delivery and acceptance of the goods themselves at T.M.L. S.r.l.'s offices or another place indicated by the latter in writing.

In case the Supplier does not respect the agreed delivery terms, T.M.L. S.r.l. will have the right to request the shipment according to the quickest method and the Supplier will have to bear all the related costs.

If the delivery takes place before the agreed date, the property of the goods remains with the Supplier until the date of acceptance by T.M.L. S.r.l.

## **ART 5 - TRANSPORT DOCUMENT (D.D.T.)**

The products ordered must be accompanied by the relative "Transport Document" or "D.D.T.", drawn up in compliance with the law in force, and by the packing list. The Transport Document must clearly indicate the destination of the ordered products, the total weight, the number of packages, the quantity, the name of the goods and the article codes, the number and date of the relative order, and any other indication requested in the order.

## **ART 6 – TERMS AND CONDITIONS OF DELIVERY**

The delivery terms are those indicated in the purchase order. Any request of the Supplier concerning changes to the delivery dates, even if made by registered letter, will be considered invalid and/or unproductive of effect unless accepted in writing by T.M.L. S.r.l., which, in the latter case, will modify the purchase order. The products ordered will not be considered delivered, even for the purposes of the terms and conditions of the purchase order, if all the shipping documents and all the technical documents and certificates requested have not been received by T.M.L. S.r.l. The delivery terms are essential for the interest of T.M.L. S.r.l. and, therefore, in case of delay in delivery by the Supplier, T.M.L. S.r.l. will have the right to refuse the delayed delivery at its own unquestionable judgement and without expenses at its charge, all this without prejudice to the damage compensation.

In case of delay of the Supplier in the delivery of the purchased products with the related documents, the Supplier will be obliged to pay to T.M.L. S.r.l. (i) a penalty equal to 5% (five per cent) of the price of the delayed supply, if the delay is less than 3 (three) weeks, or (ii) a penalty equal to 15% (fifteen per cent) of the price of the delayed supply if such delay is more than 3 (three) weeks, all this without prejudice to T.M.L. S.r.l.'s right to be compensated for any possible greater damages and to the reimbursement of all the costs sustained as a consequence of the delay, and without prejudice to the further remedies (including the termination of the contract for non-fulfilment, if the Supplier's delay exceed 10 calendar days) due to T.M.L. S.r.l. itself.

## **ART 7 - ACCEPTANCE**

The simple delivery or payment of the ordered products cannot in any case be considered as an acceptance of the same by T.M.L. S.r.l., as the acceptance of the supply takes place only through written confirmation by the "Quality Assurance" function of T.M.L. S.r.l.

The Supplier guarantees the quantitative and qualitative conformity of the ordered products both to what agreed in the purchase order and to what declared in the Transport Document.

Without prejudice to what indicated below for raw materials, any non-conformity found by T.M.L. S.r.l. on the supplied products will be notified in writing to the Supplier, who will have to remedy the non-conformity as soon as possible and, if requested by T.M.L. S.r.l., withdraw the non-conforming products already delivered and provide for the immediate supply of conforming goods, all this under the exclusive responsibility, care and expense of the Supplier and without prejudice to T.M.L. S.r.l.'s right to act for compensation of any damages suffered.

Any non-conformity found by the Supplier on the materials/products/processes supplied and/or already delivered shall be immediately communicated to T.M.L. S.r.l. by e-mail with a clear indication of the non-conformity and of the corrective actions that will have to be implemented as soon as possible by the Supplier, at his exclusive expense, care and responsibility, for their complete elimination and without prejudice to T.M.L. S.r.l.'s right to take action for the compensation of the eventual damages suffered.

The modalities of treatment of the above mentioned non-conformities, as well as possible derogations and/or concessions must be formally approved by T.M.L. S.r.l. after a technical evaluation of the quality of the non-conforming materials/goods/processes.

Any necessity of the Supplier to modify orders, or transfer of production site or change of sub-suppliers, if any, must be formally requested by the Supplier and accepted in writing by T.M.L. S.r.l. subject to its unquestionable technical evaluation.

**- Details for product class: RAW MATERIALS**

All supplies of raw materials must be accompanied by the producer's quality certification according to rule EN 10204:2005 3.1.

All supplies of raw materials to distributors/stockist must be accompanied by the producer's quality certification according to rule EN 10204:2005 3.1 and by a declaration of conformity according to ISO/IEC 17050:2005 standard concerning the activities of the distributor/stockist.

The laboratory that performs the tests reported on the Material Test Report (or Material Quality Certificate), and that issues the Material Quality Certificate according to EN 10204:2005 3.1, must be NADCAP accredited or approved by T.M.L. or accredited by other national bodies previously approved by T.M.L. S.r.l.

In case of quantitative non-conformity of the ordered products, T.M.L. S.r.l. have, at its discretion, the right to:

- accept the quantitative differences found with the faculty to modify correspondingly the quantities of the subsequent supplies; and/or
- reject the part of the ordered products in excess, with withdrawal at Supplier's expense and risk; and/or
- obtain that the Supplier immediately provides for the shipment of the portion of ordered goods found to be missing, it being understood that any greater burden and expense for immediate integration will be at the sole expense of the Supplier.

**- Details for product class: TOOLS AND EQUIPMENTS**

In case of VERBAL or ANTICIPATION ORDER, made for reasons of extreme urgency by T.M.L. S.r.l.'s staff and therefore without all the due specifications, the Supplier is required to send by e-mail a list of the materials ordered, relative specifications, prices and discounts applied.

**- Details for product class: GOODS ON ACCOUNT OF PROCESSING**

The documentation that accompanies materials sent for processing consists of:

1. Transportation document;
2. Purchase order (if any);
3. Construction drawing and/or technical specifications;
4. Material identification tag.

The Supplier is obliged to consider the D.D.T. as an ORDER (in case it is not present) for the execution of the specified works and to promptly report, if not previously agreed, the quotation of the single works.

Upon delivery, the Supplier must:

1. Specify on the delivery documentation the reference to T.M.L. S.r.l.'s Technical Document;
2. Identify the products to be delivered (description, drawing number, quantity, cycles, operating labels);
3. Report and keep physically separate any processing scraps;
4. Make and declare the same means of containment sent by T.M.L. S.r.l.;
5. Attach any certifications that may be requested by T.M.L. S.r.l.

All supplies of semi-finished products and/or processes and/or treatments must be accompanied by a declaration of conformity according to ISO/IEC 17050:2005 standard.

**- Details for product class: CONSUMER PRODUCTS AND VARIOUS**

In case of verbal order or advance order, made for reasons of extreme urgency and therefore without all the due specifications, the Supplier is required to send by e-mail a list of the materials ordered, relative specifications, prices and discounts applied.

For what is not indicated, any non-conformity found by T.M.L. S.r.l. on the supplied products will be notified in writing to the Supplier, who will have to remedy the non-conformity as soon as possible

and, if requested by T.M.L. S.r.l, withdraw the non-conforming goods already delivered and provide for the immediate supply of the conforming goods, all this under the exclusive responsibility, care and expense of the Supplier and without prejudice to the right of T.M.L. S.r.l. to act for the compensation of any damages suffered.

## **ART 8 - QUANTITY CHANGE AND VARIATIONS**

During the preparation phases of the ordered products (i.e. up to the fifth day before the delivery date) T.M.L. S.r.l. will have the right to request in writing to the Supplier changes to the quantities and/or variations on the products object of the order and the Supplier commits from now on to fulfil such requests.

In case such modifications or variations imply increases or decreases in the costs to be borne by the Supplier or by T.M.L. S.r.l. and/or changes in the time required for the delivery of the ordered goods, an appropriate adjustment of the prices and delivery terms will be agreed upon in advance with T.M.L. S.r.l. and the Supplier and regulated by a written contractual amendment to the purchase order.

## **ART 9 – ENVIRONMENTAL PROTECTION AND USE OF CHEMICAL SUBSTANCES**

- The Supplier declares and guarantees that all the products supplied and the services provided comply with the laws, also supranational, concerning chemical substances and environmental protection (the "Chemical Legislation"); therefore, the Supplier declares and guarantees that all the products supplied can be used by T.M.L. S.r.l. in full compliance with the Chemical Legislation.
- Unless T.M.L. S.r.l. has otherwise agreed in writing, the Supplier declares and guarantees that the goods supplied do not contain (and that the services provided do not involve the use of) chemical substances that are restricted or otherwise prohibited under the Chemical Legislation and/or lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyls (PBB), polybrominated diphenyl ethers (PBDE), arsenic, asbestos, benzene, polychlorinated biphenyls, carbon tetrachloride, beryllium or radioactive materials. The Supplier shall notify T.M.L. S.r.l. in writing of the presence of any of the above materials contained in the goods supplied or used during its operations for the provision of services. Upon request of T.M.L. S.r.l., the Supplier shall provide the chemical composition of the products, and any other relevant information related to the products and services supplied, including, but not limited to, tests, data and information related to their possible dangerousness.
- Unless specifically set forth in writing in the design drawings or specifications and adequately reported to T.M.L. S.r.l., the use of cadmium or nickel-cadmium plating in the manufacture of goods is strictly prohibited. It is also forbidden to use cadmium or nickel-cadmium plating for all equipment, plants and devices used by the Supplier for the production, assembly, testing and handling of the products, unless the Supplier has communicated in advance the use of cadmium or nickel-cadmium plating to T.M.L. S.r.l. and has obtained its prior written consent.
- According to art. 33 of the European Community Regulation no. 1907/2006 (the "REACH Regulation") concerning hazardous chemical substances ("SVHC") included in the "Candidate List" of the same REACH Regulation, during the production/repair/revision activities of products manufactured or imported into the EU, the Supplier must indicate the presence of any SVHC listed in the "Candidate List" contained in concentration higher than 0.1% weight/weight. For the list of these substances see the following link: <http://echa.europa.eu/candidate-list-table>
- The Supplier will notify T.M.L. S.r.l. of any restriction for any substance, as such, in mixtures or in articles, included in Annex XVII of REACH Regulation and subsequent amendments and integrations.
- The Supplier will notify T.M.L. S.r.l. of any substance, included in Annex XIV of REACH Regulation and subsequent amendments and integrations, in the process of authorization or already authorized by the European Commission according to art. 60 of the same REACH Regulation, and will guarantee that T.M.L. S.r.l.'s uses are included and covered by the authorization application being prepared or in the authorization already received by the Commission.
- Moreover, the Supplier commits to periodically monitor and eventually update the notifications to T.M.L. S.r.l. following modifications and/or integrations of the above-mentioned lists of



substances, i.e. "Candidate List", Annex XIV and Annex XVII of the REACH Regulation and subsequent modifications and integrations.

- The Supplier will also notify T.M.L. S.r.l. of any substance, as such, in mixtures or in articles, pre-registered or registered in quantities greater than 1 ton/year produced or imported into the EU according to art. 5 of the REACH Regulation and subsequent modifications and integrations.
- Dangerous substances and mixtures must be classified, labeled and packaged in accordance with the requirements of EU Regulation No. 1272/2008 (the "CLP Regulation") and subsequent amendments and supplements.
- If Article 31 of the REACH Regulation and subsequent amendments and supplements is applicable, a Safety Data Sheet (SDS) must be prepared in accordance with Annex II of the REACH Regulation and subsequent amendments and supplements. Where foreseen, according to art. 31.7 of REACH Regulation and subsequent amendments and integrations, the relevant exposure scenarios must be made available as an attachment to the SDS. The Supplier undertakes to send any updates to the SDS as provided for in Article 31.9 of REACH Regulation and subsequent amendments and integrations. The products, substances or mixtures for which there is no SDS pursuant to art. 31 of REACH Regulation, shall be accompanied by an information document pursuant to art. 32 of the same.
- Upon delivery of the products, the Supplier must provide T.M.L. S.r.l. with the following information in Italian and/or English: hazard communication, confirmation of safe transport and labelling information; conformity and certification of documentation. All documentation must refer to the lot or part number of the products delivered.
- Should the Supplier not comply with the requirements of the REACH and CLP Regulations, T.M.L. S.r.l. reserves the right to terminate the contract, in whole or in part. The Supplier undertakes to indemnify, hold harmless and indemnify T.M.L. S.r.l. in case T.M.L. S.r.l. is fined for violation of the REACH Regulation and/or CLP Regulation in relation to the supplied products.
- The Supplier declares and guarantees that he will include requirements substantially similar to those agreed upon in the present General Conditions and in the single purchase orders in all the sub-contracts that he will stipulate for the complete fulfilment of the contract with T.M.L. S.r.l.

## **ART 10 - PRICE CHANGES AND PAYMENT CONDITIONS**

The prices indicated in each purchase order are intended as fixed and invariable with explicit waiver by the Supplier of any request for price increase, as the latter will fully bear the risk deriving from possible increases in the prices of raw materials. Possible price increases due to order modifications must be previously accepted in writing by T.M.L. S.r.l.

The payment conditions in each order are intended as fixed and invariable with explicit waiver by the Supplier of any request for modification, possible modification of payment conditions must be previously accepted in writing by T.M.L. S.r.l.

## **ART 11 – INVOICING**

The invoice issued by the Supplier will have to report the exact company name of T.M.L. S.r.l. including the VAT number, the number and date of the D.D.T., the order number, the unit of measure, the list of products in the progression of the delivery notes, the Supplier's personal code, the bank support complete with coordinates.

In order to respect the agreed terms of payment, invoices must be received by T.M.L. S.r.l. within and no later than the 15<sup>th</sup> day of the month following the invoice date.

For no reason the invoice can be issued before the effective collection of the goods, unless express written de-role is granted by T.M.L. S.r.l.

## **ART 12 – WARRANTIES**

The Supplier declares and guarantees, under his own responsibility, that the supplied products conform to the applicable compulsory requirements, free from vice, defects and non-conformities (even hidden). Possible vice, defects and non-conformities can be objected by T.M.L. S.r.l. at any time and without any forfeiture, in express derogation of the code law, before or even after the use in T.M.L. S.r.l., or after the delivery to the customers of T.M.L. S.r.l. itself for the marketing of the products.

All the above mentioned warranties are valid for a period of not less than 36 months starting from the date of acceptance of the goods by T.M.L. S.r.l.

In case the vice, defect or non-conformity is detected in the period between the delivery of the products to T.M.L. S.r.l. and the exit of the same products (or other products where these have been used) from T.M.L. S.r.l.'s premises, the latter will have the right to:

- reject the entire supply lot, subject to reimbursement of the amounts already paid and the withdrawal of the products at Supplier's costs, care and expense, without prejudice to T.M.L. S.r.l.'s right to compensation for damages suffered (including those due to lack of production);
- to reject only the defective components charging the Supplier with the expenses sustained for the selection of the same, subject to the restitution of the amounts already paid and the withdrawal of the products at the Supplier's costs and burden, without prejudice to T.M.L. S.r.l.'s right to be compensated for the damages suffered (including those from missed production).

Should the defect, fault or non-conformity be detected in the period between the delivery of the products to T.M.L. S.r.l.'s customer and the exit of the finished products from the latter's production plant, T.M.L. S.r.l. will have the right to

- debit entirely to the Supplier the expenses sustained for the technical assistance provided by T.M.L. S.r.l. to its Customer for the replacement of the products of which the defective components are part, without prejudice to the right of recourse against the Supplier for any damages/penalties that T.M.L. S.r.l. may be called to pay to its Customer and, in any case, without prejudice to the compensation of any other damage;
- charge entirely to the Supplier the costs of the substituted products, without prejudice to the right of compensation for any other damage.

The Supplier is also always responsible for compliance with applicable mandatory requirements, vice, defects or non-conformities (even hidden) of the product resulting from processing of and/or material purchased from its sub-suppliers.

### **ART 13 - BLACK LISTS**

The Supplier declares and guarantees that it is not included, and must verify that its sub-suppliers are not included, in the reference lists for the prevention of crimes for terrorist purposes. These lists can be found at the following websites:

- [https://eeas.europa.eu/topics/common-foreign-security-policy-cfsp/8427/cfsp-annual-reports\\_en](https://eeas.europa.eu/topics/common-foreign-security-policy-cfsp/8427/cfsp-annual-reports_en)
- [Specially Designated Nationals And Blocked Persons List \(SDN\) Human Readable Lists | U.S. Department of the Treasury](#)
- [Sanctions List Materials | United Nations Security Council](#)

Should the sub-supplier company be present in the above mentioned lists, the Supplier will have to report this circumstance to T.M.L. S.r.l. and interrupt any contractual relationship with the latter.

In case of violation of this provision, the relevant purchase order will remain without any burden for T.M.L. S.r.l., which will also have the right to immediately terminate (except for possible concomitant claims for damages) any contractual relationship with the Supplier.

### **ART 14 - DRAWINGS/TECNICAL DOCUMENTATION/CONFIDENTIALITY**

The Supplier, committing himself also through his employees and collaborators, undertakes not to allow third parties to copy and/or use directly and/or indirectly, under any form, the drawings and any other technical document he has received from T.M.L. S.r.l. in relation to the order. The Supplier undertakes to return to T.M.L. S.r.l., upon simple request, even verbal, of the latter, the drawings and any other technical document received in relation to each order; the Supplier also undertakes to maintain, and have its employees and collaborators maintain, the strictest confidentiality in relation to the above mentioned drawings and documents, under penalty of contract termination and compensation for damages.

Without prejudice to the above, the Supplier will consider as confidential and will not disclose to third parties the information and documents received by T.M.L. S.r.l., in particular (but not exclusively) those related to the characteristics of the materials object of the purchase orders.

The Supplier will not disclose news, data, materials, samples and/or relevant information related to the supply object of each order if not expressly authorized in writing by T.M.L. S.r.l.



## **ART 15 - QUALITY CERTIFICATIONS**

Any quality certifications of the supplied products will be delivered to T.M.L. S.r.l. together with the related product. At the end of the supply all the documentation related to it will have to be returned to T.M.L. S.r.l.

## **ART 16 – PRODUCT TRACEABILITY**

The Supplier guarantees product traceability, i.e. the possibility for each product supplied for serialized parts, or its production batch for non-serialized parts, to trace the batch of raw material used for its manufacture (and the production batch where applicable) within 24 working hours of the related request.

## **ART 17 - WITHDRAWAL FROM ORDER**

T.M.L. S.r.l. will have the right, at its absolute discretion and without having to provide any justification, to withdraw from the purchase order, even if already accepted by the Supplier.

In this last case T.M.L. S.r.l. will inform the Supplier specifying the effective date of the withdrawal, and (i) if the withdrawal is exercised within 20 days after the purchase order has been sent, such withdrawal will be considered as exercised free of charge, renouncing the Supplier to any payment or compensation, while (ii) if the withdrawal is exercised after 20 days following the sending of the purchase order, the Supplier will be reimbursed only the costs actually incurred (and properly documented) up to the date of the above communication, excluded the commercial value of all reusable or resalable material and equipment. The Supplier expressly declares to renounce as of now to any request for direct or indirect damages, having already taken into account this clause in the determination of the consideration.

## **ART 18 – CANCELLATION OF THE ORDER FOR BREACH OF CONTRACT BY THE SUPPLIER**

In case of failed and/or inexact and/or delayed fulfilment of even only one of the obligations assumed by the Supplier according to the present General Conditions and/or the single purchase orders, the contract will be terminated by law - upon written declaration of T.M.L. S.r.l. of its intention to apply the present clause - according to art. 1456 of the Italian Civil Code, and without prejudice to the compensation to be paid by the Supplier for all possible damages caused. In the hypothesis of termination of the contractual relationship, the Supplier will return to T.M.L. S.r.l., upon simple request of the latter and within and not later than 5 days from the same, at his own care and expense, all the drawings, materials and, in general, all the documents he has received in relation to and/or on occasion of the orders, as of now renouncing to oppose any exception or action however intended to refuse and/or delay that return. The Supplier shall not be entitled to exercise any right of retention of those drawings and/or materials and/or documents, nor shall he be entitled to make any claim whatsoever, unless they have been fully returned.

## **ART 19 – SUBCONTRACTING AND ASSIGNMENT OF ORDERS**

The purchase order and/or its execution cannot be subcontracted or assigned, either totally or partially, without prior written consent by T.M.L. S.r.l. Should T.M.L. S.r.l. authorize the Supplier to subcontract or transfer the supply to third parties, all obligations and clauses of the relevant purchase order, as well as of these General Conditions, will be considered extended to the subcontractors and assignees.

T.M.L. S.r.l.'s authorization will not release the Supplier from his obligations deriving from the purchase order in case of non-fulfilment of his subcontractors and assignees. With respect to the execution of the order, the Supplier will always remain the contractual counterpart of T.M.L. S.r.l., which will refer to the same in order to claim (and be indemnified against) any non-fulfilment of the subcontractor. Should T.M.L. S.r.l., in its unquestionable opinion, consider that the sub-contractor or the assignee is incapable of executing the work and the progress of the supply is such as to foresee a delay with

respect to the contractual deliveries, T.M.L. S.r.l. itself will have the right to inform the Supplier in writing to immediately dissolve the sub-contract or to terminate the assignment contract. Information for supplies from sub-suppliers must contain all requirements applicable to the product, including key characteristics, in compliance with the requirements of par. 7.4.2 of the UNI EN 9100 standard.

## **ART 20 - THIRD PARTIES RIGHTS**

The Supplier will indemnify and hold harmless T.M.L. S.r.l. and its respective customers from any and all claims – of payment or of a different nature – that should be made by third parties at any time in relation to the materials and/or services supplied by the Supplier.

In case the Supplier does not provide for the payment or, in general, to fulfill what is due, within the term of 15 days from the receipt of the relative request by T.M.L. S.r.l., the latter will be authorized to withhold and/or compensate the amounts of which it claims the payment.

## **ART 21 - TRANSFER OF OWNERSHIP OF ASSETS**

The ownership of the products object of the purchase orders is transferred to T.M.L. S.r.l. at the moment of the accepted delivery of the products by the Supplier at T.M.L. S.r.l.'s factory.

## **ART 22 - BANK GUARANTEES**

If requested, the Supplier commits to release in favor of T.M.L. S.r.l. all the appropriate guarantees and bank information concerning the Supplier's financial capacity to fulfil the obligations undertaken with the purchase orders. T.M.L. S.r.l. has the right to request to the Supplier, who commits as of now to provide, further information of commercial, banking, financial nature in order to be able to evaluate the Supplier's guarantee of fulfilment.

## **ART 23 - NON-TRANSFERABILITY OF RECEIVABLES**

The Supplier is expressly forbidden to assign the receivables deriving from the execution of T.M.L. S.r.l.'s purchase orders.

## **ART 24 - FORCE MAJEURE – FORFEITURE**

The contractual delivery dates may be changed without any penalty being applied to the Supplier only in the event of an ascertained event of force majeure; for the purposes of this clause, only cases of force majeure shall be considered those beyond the will and/or control of the parties, not caused by them, dependent on public measures, wars, riots, insurrections and sabotage, fires and floods, explosions, national category strikes. It is expressly agreed that pandemic or endemic events shall not directly or indirectly constitute force majeure for the purposes of these General Conditions.

The Supplier will notify T.M.L. S.r.l. within two days, by registered letter or PEC, of the occurrence and cessation of possible cases of force majeure. Within two days following the end of each event, the Supplier must send to T.M.L. S.r.l. the supporting documentation certified by the local Chamber of Commerce. Failure to promptly notify the occurrence of events will prevent the Supplier from invoking the rights provided for in this clause.

In case of ascertained force majeure not contested by T.M.L. S.r.l., delivery dates will be extended for a period corresponding to the days of delay caused by the relevant force majeure event. T.M.L. S.r.l. reserves the right to claim the restitution of the amount paid to the Supplier that exceed the amount due.

It is also specified that in no case will delays of sub-suppliers or delays caused by pandemics or epidemics be considered as force majeure. Should the circumstance of force majeure result in a delay in delivery of more than 20 calendar days or even a shorter delay, but not compatible with T.M.L. S.r.l.'s production requirements, the latter will have the right to cancel the order, in whole or in part, at any time, by simple written notice to the Supplier, without the latter being entitled to make

any exception, claim or request of any kind against T.M.L. S.r.l.. In this case, the Supplier will be entitled to the payment of the materials only, if any, accepted by T.M.L. S.r.l.  
T.M.L. reserves the right to modify delivery dates, without any penalty being applied by the Supplier, in the event of a force majeure event.

#### **ART 25 - FAILURE TO EXERCISE A RIGHT**

Any failure by either party to exercise, partially exercise, or delay in exercising one or more of its rights or faculties shall not affect the exercise of such right or faculties, nor shall it be deemed as a waiver of its rights against the other party or as acquiescence, nor shall it modify any of the provisions of the relevant purchase orders.

#### **ART 26 - INVALIDITY AND INEFFECTIVENESS OF SINGLE PROVISIONS**

The invalidity or ineffectiveness of individual provisions shall not affect the validity of the obligations assumed by the parties with the purchase orders. All other clauses shall have the same value between the parties as if the obligations had been undertaken without the invalid and ineffective provisions. In fact, the parties agree that they would have executed the remaining contractual provisions without including the invalid and ineffective ones.

#### **ART 27 - AUDIT AND COMPLIANCE**

The Supplier acknowledges to T.M.L. S.r.l. and its relative customers, after prior sharing the timing and the access modalities, the right to access to the Supplier's offices and production sites in order to verify the adequacy of the quality system and process adopted by the same and to check the working and/or testing methods implemented, as well as the conformity of the products manufactured by the same.

The Supplier undertakes to provide support for audit activities of any kind that may be carried out by T.M.L. S.r.l.

The Supplier agrees to make itself available to carry out Audit on the quality management system and/or on the production processes, should T.M.L. S.r.l. consider it appropriate, in order to monitor the conformity of processes and products. The checks will be communicated to the Supplier at least two weeks in advance, except in case of urgency.

In case of non-conformities found during the audit, the Supplier must formalize and prepare the appropriate corrective actions, whose effectiveness will be verified by the Quality Management of T.M.L. S.r.l.

Without prejudice to the foregoing, the Supplier undertakes to scrupulously respect, and to ensure that its possible suppliers respect, all the regulations applicable to the same, acknowledging and accepting that regulatory compliance is of particular importance for T.M.L. S.r.l. The Supplier also undertakes to adopt and comply with the policies that may be reasonably requested by T.M.L. S.r.l.

#### **ART 28 – ACCESSES**

T.M.L. S.r.l. will be entitled to verify at the Supplier's premises the progress of the manufacturing program and the state of execution of the orders.

#### **ART 29 - APPLICABLE LAW AND JURISDICTION**

These General Conditions, as well as the contracts existing between the parties as a result of the orders, shall be interpreted and governed according to Italian Law.

The Parties expressly agree that any and all disputes that may arise between them, in relation to the validity, interpretation, application and execution of these General Conditions and/or the orders and/or the relative contracts between the parties will be the exclusive competence of the Court of Turin.

## **ART 30 - PROCESSING OF PERSONAL DATA**

The parties mutually authorize each other to process their respective personal data for purposes related to the execution of orders and contracts to which these General Conditions are referred; the processing will take place according to the provisions of the GDPR (General Data Protection Regulation - EU Regulation 2016/679) and in full compliance with the rules laid down therein.

## **ART 31 – STAFF MANAGEMENT**

The Supplier undertakes to guarantee T.M.L. S.r.l. that all personnel involved in the activities covered by the purchase orders (including the personnel of any sub-contractors and sub-suppliers) are regularly and correctly employed and paid, as well as adequately trained, competent and aware of their contribution to the conformity and safety of the product and of the importance of operating according to ethical principles.

## **ART 32 - COUNTERFEIT OR SUSPECTED UNAPPROVED PARTS**

The Supplier guarantees that the products are not produced in violation of patents or patent licenses and guarantees the freedom and license to use and trade the products, both in Italy and abroad, thus assuming all responsibilities and burden of claims and / or penalties in case of violation of these guarantees. The Supplier also guarantees, assuming all responsibilities, that there are no defects that affect the safety of the product.

T.M.L. S.r.l. reserves the right to take any possible legal action related to the violation of the contents of this article. Any parts that are found to be counterfeit, contraband or suspect, during the receipt controls, will be handled as non-conforming and, therefore, will be segregated in order to prevent their unintentional introduction into the production cycle or their sending to the customer, in accordance with the prescriptions reported in the article 12 of the present Conditions of Purchase.

The Supplier undertakes to promptly contact T.M.L. S.r.l. if it becomes aware of any violation of this article.

## **ART 33 – SUPPLIER EVALUATION**

T.M.L. S.r.l. carries out a periodic evaluation of the performances of its suppliers on the basis of the following parameters:

- product quality;
- punctuality of delivery (On Time Delivery).

In case the results of the evaluation do not reach the targets set, the Supplier will be asked for an action plan to improve its performance within the timeframe defined at the time of the request.

## **ART 34 – OBSOLESCENCE**

Supplier shall notify T.M.L. S.r.l. in writing and without delay of any actual or potential obsolescence problems with purchase orders or these General Conditions, identifying them from time to time; such notice shall include complete and accurate details regarding:

- a) identified obsolescence problems;
- b) its impact on the execution of the Purchase Order; and
- c) any actions to be taken to minimize the problem (including the relative cost).

The Supplier shall comply with the relevant internal procedures cited in the order, as applicable.

All extra recurring costs and non-recurring costs, if any, due to obsolescence issues arising during the performance of the contract will be borne entirely by the Supplier.

## **ART 35 – HIERARCHY OF REQUIREMENTS**

The requirements of the "Quality Management System" of T.M.L. S.r.l. applicable to a supply can be reported on different types of documents. In case of conflict between the requirements of the various documents, the priority of application is as follows:

1. Purchase Order;

2. TML operation cards, drawings, and technical project documents;
3. Specifications called out from drawings;
4. Program Quality Plans, where applicable;
5. General Conditions.

What is indicated on the purchase order notes is to be considered as additional requirements to those described in these General Conditions.

In case of doubts, the Supplier can contact T.M.L. S.r.l. in advance.

The Supplier declares to have read and fully accepted the present General Conditions.

Date \_\_\_\_\_

Signature \_\_\_\_\_

In particular, after having carefully examined their content, we specifically approve - pursuant to and for the purposes of Articles 1341, second paragraph, and 1342, of the Italian Civil Code - the following clauses of the General Conditions hereof:

**ART 2 - CONFIDENTIALITY**  
**ART 4 - DELIVERY METHODS**  
**ART 6 - TERMS AND CONDITIONS OF DELIVERY**  
**ART 7 - ACCEPTANCE**  
**ART 8 - QUANTITY CHANGE AND VARIATIONS**  
**ART 9 - ENVIRONMENTAL PROTECTION AND USE OF CHEMICAL SUBSTANCES**  
**ART 10 - PRICE CHANGES**  
**ART 12 - WARRANTIES**  
**ART 13 - BLACK LISTS**  
**ART 14 - DRAWINGS/TECHNICAL DOCUMENTATION/CONFIDENTIALITY**  
**ART 17 - WITHDRAWAL FROM ORDER**  
**ART 18 - CANCELLATION OF THE ORDER FOR BREACH OF CONTRACT BY THE SUPPLIER**  
**ART 19 - SUBCONTRACTING AND ASSIGNMENT OF ORDERS**  
**ART 20 - THIRD PARTIES RIGHTS**  
**ART 22 - BANK GUARANTEES**  
**ART 23 - NON-TRANSFERABILITY OF RECEIVABLES**  
**ART 24 - FORCE MAJEURE – FORFEITURE**  
**ART 27 - AUDIT AND COMPLIANCE**  
**ART 29 - APPLICABLE LAW AND JURISDICTION**

**FOR SPECIFIC APPROVAL**

Date \_\_\_\_\_

Signature \_\_\_\_\_