

## **GENERAL CONDITIONS OF PURCHASE**

### **GENERAL PRINCIPLES**

#### **ART. 1 Scope of application**

1.1 These "General Conditions of Purchase" (hereinafter the "Conditions") regulate and apply to the purchase of goods by Savio Macchine Tessili S.p.A. (hereinafter referred to as "Savio") at the Supplier. They are an integral part of all Savio Orders, unless expressly provided for in derogation that should intervene for a specific purchase. In this case, in derogation to these Conditions, the specific rules agreed between the parties will apply.

1.2 These Conditions are the only ones governing the relationship with the Supplier and shall prevail over any general or particular conditions of sale of the latter. The Supplier waives the application of his own general conditions and particular sales conditions, which shall in any case be considered ineffective between the parties.

The written acceptance or the beginning of the execution of the Order by the Supplier constitutes express acceptance of the Order and consequently of these Conditions by the latter.

1.3 Any other different and further condition is ineffective as well as any modification or addition to these Conditions by the Supplier, unless expressly accepted in writing by Savio. In the event that during the course of the relationship Savio accepts in writing any changes and/or additions in derogation to these Conditions, the changes and/or additions are to be understood as limited to the specific purchase for which they are agreed.

1.4 These Terms and Conditions shall also apply in the future even if they are not expressly referred to and signed in the Savio Purchase Order. They are published for this purpose on the Savio website.

1.5 These Conditions are effective until they have been expressly revoked by Savio or replaced by new Savio Conditions.

1.6 In addition to these Conditions, the specific purchase of goods is governed by the specifications contained in the technical data sheets, purchase orders and documents referred to therein. In the event of a conflict, these Conditions and/or the specific purchase order pursuant to art. 1.1 above shall prevail.

#### **ART. 2 Purchase orders**

2.1 Savio Orders can be sent by e-mail, EDI, post and they indicate the types of products and their quantities and/or characteristics, delivery times, price, payment terms and any other information.

2.2 Written communications received by Savio by letter or telematic means are considered to be confirmations of the Order.

2.3 Orders become binding for the Supplier once accepted by written notice within the period of acceptance indicated by Savio in the Order or, failing this, within five working days of receipt of the Order, unless the Savio Order is revoked.

For the purposes of this article are not considered working days on Saturdays and Sundays and holidays according to the official calendar in use in Italy.

### **ART. 3 Execution of the supply**

3.1 The supply must be carried out in full compliance with the provisions of the Order, as well as with the drawings, technical and/or contractual specifications and any other documentation mentioned therein, which forms an integral part thereof, in addition to what is provided for by company practice and best practice in the sector. The Supplier will execute the Order in technical and organizational autonomy.

3.2 Any delivery of goods that do not comply with the provisions of the Order is accepted only if authorised by the Purchase/Material Management Unit of Savio with written confirmation.

3.3 In the case of the supply of new products, the Supplier undertakes to send Savio the declaration of origin of the products and to renew this declaration upon expiry of the same. Failing this, Savio shall be entitled to immediate termination of the supply relationship, without prejudice to any compensation for damage, including any penalties and expenses, resulting from failure to send the declaration of origin.

### **ART. 4 Guarantees**

4.1 The Supplier guarantees that the goods supplied correspond to the characteristics and technical specifications agreed upon both in terms of quality and quantity, to the Order and to these Conditions. The Supplier guarantees that the goods comply with the best safety and quality standards.

The Supplier also guarantees that the goods are free from flaws and defects, obvious and/or hidden, of design and/or production and/or storage and/or of any type and nature, suitable for the use for which they are intended or for different uses brought to the attention of the Supplier and also guarantees their proper functioning pursuant to art. 1512 of the Italian Civil Code for the entire duration of the guarantee. The Supplier guarantees that the workings are carried out in a perfect workmanlike manner and in accordance with the most modern technologies.

4.2 In the event of a defect and/or non-conformity of the goods with the guarantees, or their non optimal functioning, Savio, within thirty (30) days from the discovery of the defect and/or non-conformity, shall send the relative notice to the Supplier. Furthermore, Savio will have the right at its own discretion to avail itself of the following remedies, without prejudice to the claim for damages:

a) request the repair and/or elimination of defects or non-conformities or the replacement of non-conformities or of the entire batch to which they belong, even if the goods have been supplied to third parties, at the exclusive care and expense of the Supplier;

b) request a reduction in the price of non-conforming or defective goods or of the lot in which the said defects and/or non-conformities have been found pursuant to art. 1453 of the Italian Civil Code;

c) declare the termination of the purchase contract for non-compliant or defective goods or of the lot where the said defects and/or non-conformities have been found, in accordance with article 1453 of the Italian Civil Code, and refuse to pay the purchase price and request the refund of any amounts already paid in relation to the said non-conformities and/or defective goods or of the lot where the said defects and/or non-conformities have been found.

In any case, Savio may suspend the payment of the supply, without prejudice to the fact that, on the other hand, should any payment be made in the presence of a dispute by Savio, the rights of the latter and the remedies recognised by it will not in any way be prejudiced.

4.3 Savio also reserves the right, where this is possible and feasible from an economic and operational point of view, to ascertain at source that the goods purchased comply with the requirements. These preliminary checks do not in any case exclude the Supplier from the responsibility of supplying acceptable goods, nor do they exclude any subsequent refusal by Savio as specified in the UNI 9002 NORMA Point 4.6.4.

The drawings, standards, specifications in the possession of the Supplier and the control plans referred to in the Order will be used to check the materials.

4.4 In the event that Savio finds that the quantity of goods delivered exceeds the Order, it may, at its sole discretion, retain the excess goods by paying the Supplier the additional price according to a proportional comparison with what is indicated in the Order or send the excess goods back to the Supplier with the exclusive charge to the latter of the costs and expenses of packaging, transport and any other disbursement incurred.

4.5 Unless otherwise specified, the warranty period on the goods is twenty-four months from the date of delivery of the same, without prejudice to the provisions of art. 1490 et seq. of the Italian Civil Code. In the case of replacement/repair of the goods referred to in Article 4.2(a), a new guarantee period of the same duration shall commence after delivery.

4.6 The Supplier warrants that the goods are delivered free of pledge or other third party rights.

4.7 If the extent of the defect or non-conformity exceeds 5% (five per cent) of the supply in quantity or if the quality of the goods delivered is significantly lower than the required standards, Savio may avail itself, at its sole discretion, of one of the following rights:

a) apply a penalty of 10% (ten per cent) of the agreed consideration for the entire supply, without prejudice to greater damage;

b) terminate the contract in accordance with art. 1456 of the Italian Civil Code with the right to compensation for all damages caused directly or indirectly by the defective or non-conforming delivery.

4.8 The Supplier shall indemnify and hold harmless Savio from any and all liability for damages caused to third parties by defective goods, even in the event that said goods have been assembled with goods or parts of goods of Savio or third parties, provided that the defect is attributable to the part of the goods produced by the Supplier. In such cases, in addition to the damages, the Supplier is also obliged to bear and reimburse all expenses incurred by Savio in any legal action.

## **ART. 5 Shipping and Packaging**

5.1 Shipments must be made by the Supplier in accordance with any requirements specified in the Order (Incoterms 2010).

In the event of non-compliance, the Supplier will be charged with all the expenses that Savio may incur as a result of such non-compliance, in addition to compensation for any damages that Savio may suffer.

Each package must be labelled in a clearly visible manner with an indication of the quantity, content and purchase order and in compliance with any other provisions contained in the Order.

5.2 The release of the goods is understood to have been carried out by Savio with the reservation of control and verification of conformity of the quality and quantity which may also be contested subsequently by Savio, without prejudice to the term of thirty (30) days from the discovery of the defects and/or non-conformities, by derogation to art. 1495 of the Italian Civil Code. The risks for the damage or loss of the goods are transferred to Savio only upon receipt of the same in the latter's plants; therefore, without prejudice to the responsibilities of the carrier and without prejudice to the responsibilities of the Supplier in the event of inadequate packaging as better specified in art. 5.4 below, the risk of loss and/or damage of the goods remains with the Supplier even when the carrier has been chosen by Savio.

The recognised quantity of the goods is the quantity recorded at the place of receipt.

5.3 In any case, the acceptance of the goods delivered to Savio does not constitute recognition of the conformity of the goods and the packaging with the Order, even with reference to any apparent defects.

5.4 As mentioned above, without prejudice to any liability of the carrier, the Supplier is responsible for any damage that the goods may suffer as a result of inadequate packaging and, therefore, must ensure that all possible damage is avoided during transport and in loading and unloading, under penalty of damages and reimbursement of expenses that Savio may face.

5.5 Without prejudice to the provisions of article 4 above (Guarantees), in the case of refusal of goods received all costs of packaging, loading and shipping will be borne exclusively by the Supplier who is required to indicate the address and manner of return at the time of first unloading of goods.

## **ART. 6 Terms and places of delivery**

6.1 Unless otherwise specified in the Order, the delivery date indicated in the Order is to be understood as the date of arrival in the warehouse of Savio, even for free port of departure delivery.

6.2 The delivery terms are always to be considered as binding and essential in Savio's interest and are binding for the Supplier. Any variations in delivery are not accepted, unless they have been previously authorised in writing by Savio's Purchase/Materials Management Unit.

6.3 It is forbidden for the Supplier to deliver, without express authorisation, the goods in advance of what is indicated in the Order.

6.4 The goods covered by the Order must be supplied, if necessary and in any case if required or requested by Savio, complete with all the technical documentation for the operation and maintenance of any certificates required. In default, the Supplier shall be liable for damages, without prejudice to all other legal remedies in favour of Savio.

6.5 In case of delay in delivery even of one day or partial delivery, provided that the delay or partial delivery is not due to force majeure, Savio may avail itself of one of the following rights, at its sole discretion, without prejudice in any case to the right to suspend payments due to the Supplier in relation to missed, delayed or partial delivery:

a) apply a penalty for delay in the amount of 10% (ten percent) of the agreed consideration for each full week of delay, regardless of the extent of the goods not delivered, without prejudice to greater damage;

b) terminate the contract in accordance with art. 1457 of the Italian Civil Code with a claim for compensation for all damages caused directly or indirectly by late or partial delivery. Savio may terminate the contract with a claim for damages even if the Supplier fails to deliver completely.

For the purposes of this Article and the application of penalties, goods found to have been discarded shall also be deemed not to have been delivered.

## **ART. 7 Control of goods**

7.1 The ascertainment of the conditions and quality of the goods may only be carried out by personnel expressly appointed by Savio, even if not belonging to the latter.

7.2 The Supplier allows access to Savio, subject to prior notice, at the Supplier's premises to verify the regular fulfilment of these Conditions, the technical specifications and the reference Order.

## **ART. 8 Prices**

8.1 The consideration for the supply is indicated in the relevant Order or in a separate agreement between the parties.

8.2 Unless otherwise specified in the Order, prices are fixed and not subject to any change in cost or adjustments. The prices established are all-inclusive.

8.3 Terms and conditions of payment are also indicated in the Order or in a separate agreement between the parties. In the absence of an indication in the Order or agreement, payment will be made by bank transfer within sixty days (60) of the end of the month of receipt of the invoice; the above term is in any case not essential.

## **ART. 9 Express termination clause and Cancellation/reduction of Order quantity**

9.1 Savio shall have the right to terminate the sales contract at any time and without prejudice to Savio's rights, if one of the following events occurs:

- a) failure to comply with the obligation to send the declaration of origin of the goods at the time of supply or failure to renew it once it has expired by the Supplier, as better specified in art. 3.3 of these Conditions;
- b) failure by the Supplier to comply with the delivery terms, as better indicated in art. 6.5 letter. b) of these Conditions;
- c) failure by the Supplier to comply with the quality levels required, as better indicated in art. 4.7 letter. b) of these Conditions;
- d) failure by the Supplier to comply with the provisions of Legislative Decree 231/2001, as better specified in Article 17 of these Conditions.

9.2 Savio is entitled to withdraw from the contract with the Supplier in the case of:

- e) cancellation of orders by Savio's Customers relating to products for which the goods supplied were intended;
- f) variation of orders by Savio's Customers, which involve reductions in the quantities of goods supplied.

Alternatively to the withdrawal, at its sole discretion, Savio may reduce the quantities provided for the supply.

9.3 In the event of termination by right or reduction of the quantities requested in the Order for the above reasons, or exercise of the right of withdrawal, Savio shall notify the Supplier by registered letter, fax or telematic means of the termination or reduction of the quantities or withdrawal - remedies which shall take immediate effect. If this decision is due to the causes indicated in points (e) or (f), Savio will agree with the Supplier on the procedures for implementing the decision.

## **ART. 10 Force majeure**

10.1 In the event of force majeure, war, fire, labour disputes, riots, government measures, business interruptions outside Savio's control and other unavoidable events, which should concern Savio or the country where it has its registered office, failure by Savio to fulfil its obligations shall not constitute a breach of contract if, in fact, it is prevented by the aforesaid circumstances which occurred outside Savio's control.

In such cases, Savio may accept the goods or terminate the contract if such events have a significant duration and Savio's requirements are considerably reduced.

## **ART. 11 Invoicing and payment documentation**

11.1 In the case of deliveries, the transport document must state this:

- the number of the Order of Savio;
- Savio's item number and quantity;
- the description of the material sent;
- the position sequential number assigned to it;
- the indication, as the case may be, of delivery on account or as a balance.

11.2 With regard to invoicing, invoices, in original and copy for administrative use, must:

- be made out in the name and forwarded as specified in art. 12 of these Conditions;
- contain the number of the transport or delivery document;
- be regularly subject to current taxes or exempted from them in accordance with the exceptions allowed by law and by Savio expressly requested under the responsibility of the same;
- state Savio's item number and quantity;
- contain the description of the material;
- report the numbers of individual orders;
- contain the supplier code number assigned by them;
- indicate the possible third party consignee, if the goods purchased by Savio are, at Savio's express request, delivered to third parties.

11.3 If the documentation referred to in this article does not comply with the requirements of these Conditions or any other particular conditions contained in the Order, Savio will pay the invoices only after the Supplier has completed the said documentation.

## **ART. 12 Correspondence**

12.1 All correspondence sent by the Supplier to Savio must always refer to the number of the Purchase Order and must be addressed to: SAVIO MACCHINE TESSILI S.p.A. - Via Udine, 105 - 33170 PORDENONE (ITALY).

## **ART. 13 Assignment of credit**

13.1 Any assignments of receivables, special collection mandates or other forms of delegation for the collection of payments must be previously and explicitly accepted in writing by Savio.

In the event of assignment of the credit, this clause is presumed to be known to the assignee at the time of assignment, given the fact that the Order is part of the documents proving the credit under Article 1262 of the Italian Civil Code.

#### **ART. 14 Use of patents**

14.1 The Supplier guarantees that the goods, including their components and accessories, do not constitute a violation of patents, trademarks, models, copyrights or other intellectual and industrial property rights of third parties and that he is therefore entitled to transfer to Savio the right to use, incorporate and market them.

14.2 The Supplier is obliged to compensate Savio and/or its Customers for any damages suffered as a result of the improper use of patents in relation to the goods supplied.

#### **ART. 15 Confidentiality**

15.1 Any documentation provided by Savio for the execution of the Order, containing technical information, remains the property of the latter and the relative documents may not be copied, transmitted to third parties or used by the Supplier for the execution of works on its own account or for supplies to third parties.

The Supplier is specifically obliged to keep such documents with the utmost diligence.

15.2 The Supplier also undertakes to destroy any parts made on the basis of the above drawings and specifications that may be discarded during the inspection.

#### **ART. 16 Privacy policy**

16.1 Pursuant to Reg. 2016/679/EU, the "GDPR", the Supplier's data, collected during the course of the business relationship, are processed in compliance with current legislation and, in any case, with due confidentiality in accordance with the provisions of Annex "A" to these Conditions, which forms an integral part of them.

#### **Art. 17 Declaration pursuant to Legislative Decree 231/2001**

17.1 Pursuant to and for the purposes of Legislative Decree 231/01, in carrying out the contract, the Supplier must also undertake, for its directors, auditors, employees and/or collaborators pursuant to and in accordance with Article 1381 of the Italian Civil Code, to strictly comply with the rules contained in the Code of Ethics approved by the Board of Directors of Savio, as an integral part of the model adopted pursuant to Legislative

Decree 231/01 and available on the Savio website <http://www.saviotechnologies.com>. The Supplier fully accepts all the terms and conditions that he declares to be familiar with.

17.2 In the event of violation of the above Code of Ethics, which is attributable to the responsibility of the Supplier, Savio is entitled to terminate the Contract with immediate effect pursuant to art. 1456 of the Civil Code by registered letter with advice of receipt or by electronic means, without prejudice to any other legal remedy, including the right to compensation for damages suffered.

17.3 Without prejudice to the above, the Supplier must indemnify and hold harmless Savio and, on its behalf, its assignees, auditors, directors, employees and/or legal representatives, on first demand and without exception, from any claim, damage and/or request, including legal costs, that may be made by third parties in relation to any violations of the aforementioned Code of Ethics.

#### **ART. 18 Applicable law and jurisdiction**

18.1 These Conditions, the Order and the related contracts are governed by Italian law.

18.2 Any dispute that may arise between the parties relating to these Conditions, the Order and/or the contractual relationship shall be referred to the exclusive jurisdiction of the Court of Pordenone, without prejudice to Savio's right, at its sole discretion, to take legal action before the court of the place where the Supplier has its registered office.

Read, signed and signed.

Pordenone, 05-04-2019

The Supplier                      Savio -Chief Operation Officer-

Mauro Moro



In accordance with articles 1341 and 1342 of the Italian Civil Code, the conditions set out in articles 2 (Implicit acceptance of orders), 4 (Suspension of payments), 9 (Withdrawal), 11 (Suspension of payments), 15 (Confidentiality) and 18 (Court of jurisdiction) are expressly signed and specifically approved.

Read, signed and signed.

Pordenone, 05-04-2019

The Supplier \_\_\_\_\_