
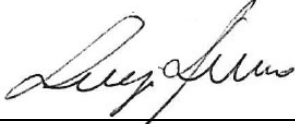
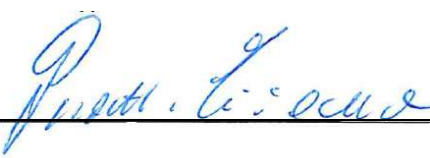


## GENERAL TERMS OF PURCHASE

AQ-10 Rev. 5 of 25/09/2019

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<b>Drafting (Quality Manager)</b>  S.T.M. S.p.A. Via dei Macchinisti, 39 - Tel. (051) 6467711 42012 CALDERARA DI RENO (BO)	<b>Check (Purchasing)</b> 	<b>Approval (Property)</b> 
<b>PURPOSE OF REVIEW:</b> Modified section 2.9		
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## GENERAL CONDITIONS OF PURCHASE

### 1. PURPOSE and RANGE of DEFINITION

Define general aspects of the contractual relationship of supply. Valid in all contractual relationships unless otherwise specified in the contract.

### 2. OPERATIONAL ASPECTS

#### 2.1 ORDER CONFIRMATION

Written confirmation must be given within 3 days from the date of receipt of order, in absence of confirmation by the Supplier is deemed to have accepted all the conditions specified in the open or closed order issued by STM.

#### 2.2. PRICES

The prices of benefits or services are defined in the price list or in individual negotiations reported on orders. STM will not accept variations prices only after a process of negotiation formalized written and approved by both parties.

#### 2.3. TERMS OF DELIVERY

Terms of delivery specified in the orders documents must be considered mandatory.

STM will not accept deliveries more than 25<sup>th</sup> of the month and late delivery on confirmed dates (see cap.2.1).

In the event of late delivery STM reserves of to apply penalty to the supply by notifying to the supplier terms of the same penalty as indicated in 2.3 /a.

#### 2.3/a. PENALTIES FOR LATE DELIVERY

In case where deliveries will occur with a delay of more than five working days respect to the deadline specified on orders, as long as issued in accordance with the agreed lead time. STM has the right to apply a penalty equal to 1.5% of the order value for each week of delay or part of a week of delay up to a maximum of 5%.

If the delay in delivery of the supplier will lead STM to suffer penalties by its customers, STM has the power to turn those costs to the supplier.

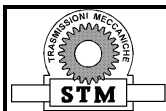
#### 2.4. QUANTITY

##### Order Closed

STM expresses the need of the respect of the quantities with delivery as for order documents. STM in the event of changes of the amounts recognized in the acceptable phase, STM will advise to the supplier as stated reserving the right of to accept or render excess material or to ask the reinstatement of the missing.

##### Open orders

Date \_\_\_\_\_ Stamp and Signature for acceptance \_\_\_\_\_



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The quantities indicated in the order will have to be respected. In case of variations, it must be indicated in the delivery note, the contingent waste products, loss or anything that may vary in negative on the orders themselves. STM reserves its right to define the activities toward the Supplier.

### 2.5. ATTACHED DOCUMENTATION

**Essential data to track the documentation:** Along with the fiscal data, in accordance with the law, in the transport documentation it will have to be indicated:

- The reference number of the STM order;
- The code number of the STM product;
- The term "Campione" in case it concerns products that need the seal of approval or samples;
- The number of the batch's order upon request.

**Essential attached documentation :** The Supplier will have to attach the whole documentation requested in the general and specific terms to which the order refers with a greater attention to what is indicated on the documents that are attached to the order itself, the transport documentation, technical drawings etc

If STM ships the technical drawings referred to the issued order, along with the product, STM will have to receive back the same material.

In case of failure of delivery, STM reserves its right to seek legal protection in order to preserve the ownership of the technical drawings.

### 2.6. MISCELLANEOUS EXPENSES

All the miscellaneous expenses related to accounting aspects of the invoicing, which are not compatible with the beforehand agreement are at the expense of the Supplier, if not decided otherwise beforehand by the two Parties.

### 2.7. DELIVERY TERM

Generally, the Supplier will have to follow the order if not decided otherwise beforehand by the two Parties.

### 2.8. PACKAGING

The packaging and its costs (if not differently indicated on a document undersigned by the two Parties) will have to be considered as included in the total amount of the supplied products.

The type of packaging, related to the type of activity, will be indicated in the NORM 103.

### 2.9. PAYMENTS

STM will pay the invoices to the Suppliers as soon as the acceptance office will verify the conformity of the products according to the terms of the order. The payment of the invoices is also subject to the reception of the complete documentation requested along the order itself by STM;

moreover, the payment will be compensated by the contingent expenses due to a non-conformity of the product that will be immediately communicated to the Supplier.

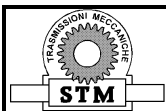
The parties by common agreement establish that the present supply and the claims that will arise from, may not be transferred to third parties, pursuant to and for the effects of the Article 1260 c.c et seq. In the event of breach of the present agreement about non-assignability of the credit, the part who will commit the infringement shall be required to pay to the other part, as a penalty, an amount equal to 20% of the value of the assigned claims, up to a maximum penalty of € 200000.00, always except the greatest damage.

### 2.10. CONFORMITY OF THE PRODUCTS

The products must be congruent with the technical specifications indicated in the order.

### 2.11. TAKE CHARGE OF FAULTY PRODUCTS

The Supplier will be responsible toward STM for contingent faults of the products even if the products' fault may be attributed to a third party.

**2.12. QUALITY OF THE PRODUCTS AND QUALIFICATION PROCESS**

Quality contents references are stated in the order. STM reserves its right to make the assignment of the order a condition of the result of the quality process. Reports of non-conformity, questionnaire, tests will be added up in order to decide whether that Supplier will be included in the List of STM Qualified Suppliers. The access to this list will be allowed to the Suppliers that will demonstrate the adoption of the necessary means of production in order to obtain and offer a productive and organized service, which will also be congruent with STM needs. STM issues new orders only to the Suppliers which are included in the list of Suppliers.

**2.13. SAFETY OF THE PRODUCT**

STM purchased products must be realized according to the technical and current regulation, by following the "construction in a workmanlike" criteria. In particular, it is mandatory to fulfill all the directives indicated by the CEE which had been incorporated to the Italian legislation in the matter of safety of the components and of the machinery more in general. It is also mandatory to indicate the place of origin of the goods and to respect the directive RoHS 2002/95/CE. In regard to electrical engines, in order to meet the CE standards, it is mandatory to label them CE and to attach to each batch of supply the declaration of conformity with the low voltage and electromagnetic field directive along with the Machinery Directive. Suppliers of chemicals must guarantee the respect of the REACH regulation 1907/2006 and the forwarding of the safety sheets each time they change something.

**2.13.a MONETARY CHARGES**

The monetary charges will be managed by the purchase department and they will include the following costs:

- endorsed costs till the non-conformity phase (if that caused damages and thus malfunctioning of the final project. In this case, the costs will include the expenses in order to restore the correct functioning of the project itself);
- transport expenses;
- management of the costs caused by the non-conformity of the products, which are to be considered as two working hours of a STM technician;
- costs related to contingent penalties received by our customers.

**2.14. REPLACEMENTS**

The Supplier must ensure the supply of replacements for at least 10 years after the halt in production of the supplied products to STM.

**2.15. SECRECY**

All the information and the documents received or forwarded by STM to the Supplier are reserved and they must not be released under no circumstances to a Third party. Contingent technical drawings, samples and models that will be forwarded to the Supplier will have to be turned in to STM upon a simple request by the latter.

**2.16. LICENSE**

The Supplier will guarantee, discharging STM from any contingent responsibility, that the goods are not and they will never be produced against the licenses or any other obligation of reserved use.

**2.17. FREE ACCESS TO THE STM STAFF**

In order to guarantee to STM the possibility to perform activities such as visits with customers, qualification and verification controls upon the state of the production; the Supplier must guarantee at any given moment, upon at least three days notice, the access to his factory, the full cooperation by sharing the acknowledgment of his production which will influence the quality and the safety of the produced goods for STM.

**2.18 JURISDICTION**

In case of contingent disagreement upon the interpretation, the execution and in any case upon the order itself, the only competent court is the Foro di Bologna.