

General conditions for the Supply of goods and services

General information

These general conditions apply to all orders and contracts for the purchase of goods and services of ZORZINI S.P.A. hereinafter called ZORZINI.

These general conditions are sent to suppliers, are accepted by them, and remain in effect until further notice. The same shall be published on the website of ZORZINI available to suppliers; they are recalled and are an integral part of all orders/contracts signed by ZORZINI. Other terms or conditions of suppliers not expressly accepted by ZORZINI will not be part of the contract and these General Conditions of ZORZINI S.P.A. shall prevail over any other provision made by the supplier.

I. Contract details on confidentiality and protection of right

Any goods or sample, any document (illustrations, drawings, sketches) or information or data even in the form of electronic documents and/or files of any kind provided by ZORZINI during the request of offer or contract, or found during a visit/inspection at ZORZINI, such as technical and design information, written or oral, are the exclusive property of the same ZORZINI, without whose express consent in writing cannot be made available to any third party. Furthermore it is strictly forbidden to suppliers to have direct contacts with the end customers of ZORZINI except provided with special written permission.

The supplier agrees with the foregoing, making itself otherwise responsible for any infringement of the rights of confidentiality and security, thus having to compensate ZORZINI for any proven claims. ZORZINI reserves the right to demand the suspension of the contract for the cancellation clause in chapter VIII, without claims for compensation from the supplier.

II. Stipulation and forwarding of the contract/order

The contract/purchase order is concluded with the signature of the same by the Chief Executive Officer of ZORZINI and dispatch in writing to the supplier; it will remain valid until the date stated, unless there are changes agreed upon between the parties. Tacit renewals will not be accepted unless otherwise agreed. The supplier is obliged to check the same and send the relative **order confirmation** before delivery. The ZORZINI article code and reference of the same order must be reported in the order confirmation, on the BOL, invoices or other inherent documents. In case of discrepancies or inconsistencies the supplier must inform the Purchasing Department of ZORZINI. **Failure to receive the order confirmation within 2 working days, shall mean that the same is tacitly and entirely accepted.**

III. Supplies and prices

1. SUPPLIES:

1.1 The **data sheets** of goods, **safety data sheets** (see section 3) and **warranty statements** or **declarations of conformity of the material** must be included in the provision of **GOODS, MATERIALS AND SUBSTANCES**. For the supply of sheet metal products reference is made to EN 10204 (European Standard) that identifies the type and composition of control documents. More specifically, this standard defines the different types of control documents that must be provided to the buyer, in accordance with what was agreed when ordering. The most common documents are divided into:

- EN 10204 2.2 – TEST CERTIFICATE

Document in which the manufacturer certifies that the products supplied are in accordance with what agreed at the time of the order and in which the test results are defined, based on non-specific controls.

- EN 10204 3.1 – TEST CERTIFICATE (CERTIFICATE OF CASTING)

Document issued on the basis of checks and tests carried out in accordance with the technical requirements of the order and with official regulations and the corresponding technical rules. The tests must be carried out at least on the testing unit of which the provision is a part.

In particular, in the laminates and stainless steel field, the testing unit is defined not only by the cast but by the ensemble casting and lamination, then by what is called "MOTHER COIL". In fact, with equal casting two laminations even immediately subsequent and on the same mill, may give rise to data relating to different mechanical characteristics, although within the limits of the norm.

- EN 10204 3.2 – TEST REPORT

When the test certificate is validated, based on specific agreements, either from the manufacturer's authorised representative and the representative authorised by the buyer.

1.2. The supply of **TOOLS, MACHINES AND SYSTEMS** must include the **use and maintenance manuals**; installation of the equipment provided; specific tests (and/or **test documentation**); **declarations of conformity for plants**; **calibration certificates and the calibration manuals for instrumentation**; any training necessary for the use of the equipment/machine. The warranty as well as a possible extension thereof shall be specified in the offer. Equipment/machines must bear the **CE marking** and shall be accompanied by the **CE marking certificate**.

The packaging must be suitably tagged as by the law in force, handled and transported in accordance with the datasheets.

1.3 Supplies of "processing under contract" **CUSTOM MADE** products must include quality controls and tests for individual batches, to ensure compliance with the drawings submitted. Consequently the **data sheets**, and if provided for contractually, the **Test Minutes or Reports** relating to individual batches produced, respectively must be delivered to ZORZINI.

The supplier is responsible for controlling the correspondence of the revision indicated on the drawings in its possession with respect to the purchase orders and to request any update thereof. If the products do not feature the technical requirements laid down by the last revision indicated in the order, ZORZINI may require immediate replacement of the same. Return or replacement costs and related transportation charges and any other additional expense which may arise, will be borne by the supplier, unless otherwise explicitly agreed in writing. ZORZINI also reserves the right to visit the vendor at any time to verify the process related to the specific processing of products ordered and quality control thereof.

2. PRICES:

Prices will be considered inclusive of delivery at destination, including loading, packaging, insurance on transport and all other expenses related to forwarding.

Prices will be those agreed and established in the order/contract and will remain fixed and blocked for the time defined and cannot for any reason be increased by the supplier (notwithstanding the right of ZORZINI to any discounts agreed upon between the parties or as a result of penalties). Prices are in fact accepted by the supplier at its own risk and cannot vary and are independent of any event or circumstance that the supplier has not taken into account, regardless of unpredictable situations or conditions that might affect costs and legitimise the revision of prices. In this respect the supplier agrees to take on a greater burden of risk of its performance, deriving from any extraordinary and unpredictable cause it can also depend on, making the provisions of art. 1467 of the Civil code unenforceable in this order.

The provider may not also claim any further compensation for any errors in the interpretation of the contractual agreements, in the pricing and execution of calculations, nor for any changes that occur during the execution of the contract in the commercial pricing, taxes or any other event and circumstance.

3. HAZARDOUS MATERIALS AND SUBSTANCES:

It is wise to remember that manufacturers/suppliers are obliged to attach the safety data sheets free of charge to the products sold, when a dangerous substance is put on the marketplace.

The safety data sheets of hazardous materials and substances must report the 16 points and the new pictograms in accordance with Regulation (EC) no. 1272 of 16th December 2008 of the European Parliament and Council relating to the classification, labelling and packaging of chemical substances and mixtures, called Regulation (CLP).

The safety data sheets of products sold may be in paper format or electronic media and must be written in Italian.

The same must be provided before or at the time of the first delivery of the product, and whenever it is requested.

It must also include the date of issue and any update. The update must be done whenever there are new and relevant information concerning the safety and protection of health and the environment.

Suppliers are reminded that the materials and the products must be handled and transported in accordance with the safety data sheets and that the packages must be labelled as per the above-mentioned legislation.

ZORZINI will not accept products/substances whose expiration date is less than 1 year.

Please also note Regulation (EU) no. 453/2010 of 20th May 2010 concerning the registration, evaluation, authorisation and restriction of chemicals (REACH).

IV. Delivery deadlines; delivery delays

The terms of delivery agreed upon (contractual delivery days) must be met by the supplier and will refer to the dates of individual orders issued by the Purchasing Department of ZORZINI, except for suspensions imposed or authorised by ZORZINI, and except for any changes to the contractual terms and conditions agreed in writing between the parties.

ZORZINI reserves the right to grant extensions on delivery times.

In the event the supplier is late with deliveries, except for force majeure cases listed below, ZORZINI will send a complaint and shall have the right:

- to apply the penalty as per chapter VII for delays in excess of 3 days;
- to apply the penalty as per chapter VII for delays in excess of 10 days;
- to apply the penalty as per chapter VII for delays in excess of 30 days and to withdraw from the contract. ZORZINI has the right to demand the suspension of the contract for the cancellation clause in chapter VIII, without claims for compensation from the supplier.

Partial deliveries are excluded except for specific agreements with ZORZINI.

It is the duty of the Supplier to fill in and deliver the BOL.

Delays or suspensions due to force majeure

Delay or suspension of delivery will be legitimate in the event of force majeure.

The following causes are explicitly referred to as cases of force majeure: general strikes, wars, uncontrollable phenomena, insurrections, natural disasters or environmental conditions extremely unfavourable for deliveries or for the performance of services and other natural disasters or other unforeseen circumstances beyond the control of the supplier or of ZORZINI.

Hence for no other reason the supplier may suspend or slow down the deliveries or the provision of services on its own initiative.

V. Claims for incorrect, defective or incomplete supplies

ZORZINI reserves the right to carry out at any time, operation tests and quality controls on goods in acceptance and send a claim to request replacement/collection of merchandise that does not meet the requirements defined in the contract or that impair the good product functionality. All expenses will be charged to the supplier. Before the above checks ZORZINI shall apply the right to "**accept with reserve**". It also reserves the right to ensure that any service performed by the supplier at ZORZINI respects the contractual and technical regulations in compliance with the laws in force regarding safety.

Deliveries must be made in compliance with the provisions contained in the supply agreement and in these general conditions.

The goods to be supplied must comply with all technical and qualitative requirements (or later requirements agreed between the parties), with the warning that if the supplier is responsible of non-fulfilments found in various stages of the contract execution, or verified during the quality control of ZORZINI, the latter reserves the right to adopt appropriate measures aimed at safeguarding its interests, last but not least to withdraw from the contract as per chapter VIII.

Tolerance on quantities

Unless otherwise agreed or otherwise indicated in writing by ZORZINI, quantities in excess of those ordered will be STRICTLY returned to the supplier carriage forward and the related credit note will be requested. Suppliers are advised to make advance arrangements regarding any supply conditions involving purchases of minimum lots.

A tolerance is allowed (in shortfall of) in the contractual limits for each delivered item.

If on the expiration date the supplier has delivered a total quantity of material ordered by ZORZINI in shortfall of the order, ZORZINI reserves the right to accept the amount missing in a subsequent delivery, which allows the supplier to complete the order with the missing tolerance, or declare the forfeiture of the order and consider the same closed.

VI. Responsibility for incorrect or defective supply; Warranty GOODS

The supplier is solely responsible for the quality of the products and takes responsibility for defective goods. If the goods do not have the contractually agreed technical requirements or in case of a defect of the goods, ZORZINI may require immediate replacement of the same.

Return or replacement costs and related transportation charges and any other additional expense which may arise, will be borne by the supplier, unless otherwise explicitly agreed in writing.

The conditions described above will also apply if other goods are provided (incorrect supply), instead of goods to be provided by contract.

INSTRUMENTS/MACHINES/SYSTEMS (for new supplies and for long-term maintenance contracts)

During the period of WARRANTY or of CONTRACTUAL MAINTENANCE, the supplier shall be solely responsible for the smooth running of instruments/machines/systems supplied in relation to the contractually agreed technical and performance characteristics, with the exception of defects that are caused by improper handling or incorrect operations by ZORZINI. The supplier shall assume liability for any malfunction of instruments/machines/plants or systems made by the supplier, whether assembled or connected by ZORZINI with components of the supplier and according to diagrams or drawings proposed by the same supplier.

In case of malfunction of these instruments/machines/plants or failures that endanger operational safety, ZORZINI may request immediate restoration of functionality/security free of charge to the supplier.

If the supplier cannot undertake to remedy in due course (the timing is contractually agreed), ZORZINI shall have the right and delegation to repair the defect itself or to have it repaired by third parties and shall be authorised to apply to the supplier the sum agreed for performing the repair and for costs incurred.

Moreover, in case of failure to intervene immediately, in the event that ZORZINI cannot intervene personally or through third parties, it may claim compensation for consequential damages, lost profits or loss of production.

If the repairs made by the supplier are defective or deficient, ZORZINI will be entitled to claim a penalty (as per chap. VIII, to the extent contractually agreed) or, in the event of intent or gross negligence, to withdraw from the contract in question (see chap. IX).

In the event of malfunction/safety issues that cannot be resolved or that do not assure performance required in the contract and if the supply is not in compliance with the order, according to its choice, ZORZINI may request immediate replacement with other or may decide to withdraw from the contract and return the instruments/machines/systems supplied and proved to be defective/non-compliant. Return or replacement costs and related transportation charges and any other additional expense which may arise, will be borne by the supplier.

All actions performed by the supplier shall be carried out:

- by qualified personnel (by sending references/qualifications/certificates of staff) that is familiar with the requirements and the technical components of the instruments/machine/plants, as well as the solution to operation/safety problems. In addition such personnel must know the risks associated with its duties and must have the necessary Personal Protection Equipment and the identification badge in accordance with the laws in force;
- using essential equipment that facilitate the conduct of the planned operations; such equipment must be subject to routine maintenance and, if necessary, suitably calibrated. ZORZINI reserves the right to request documentary evidence.

VII. Penalty for damages

The supplier, without exclusion of any penalty, and without prejudice to compensation for greater damages, shall be required to pay a penalty for breach of its contractual obligations in respect of agreements and the following contractual obligations.

ZORZINI will be able to claim damages to the supplier and apply penalties for compensation in the event of:

- for delivery delays exceeding 3 days and up to 9 days (see contract and chap. IV): an amount equal to 5% of the value of the supply;
- for delivery delays exceeding 10 days and up to 29 days (see contract and chap. IV): an amount equal to 20% of the value of the supply;
- for delivery delays in excess of 30 days (see contract and chap. IV): an amount equal to 100% of the value of the supply;
- for repairs, installation, testing or any other work carried out by the supplier, that is defective or deficient (see chaps. V and VI); an amount equal to 50% of the value of the supply;
- technical characteristics and performance missing compared to contractual ones or deficiencies which endanger operational safety: a sum equal to 150% of the value of the supply.

Unless otherwise specified, the amount of the penalty will be equal to the price of the supply.

VIII. Clause and termination condition

The supply contract may be canceled, pursuant to Art. 1456 of the Civil Code, if the supplier:

- proves wilful misconduct, gross negligence, irregularities/breach of its obligations (legal representatives, senior executives, authorised agents);
- does not comply with the obligations of confidentiality and protection provided for (see chap. I);
- omits or delays the delivery of products/services with time and methods not contractually acceptable (see chap. IV);
- delivers defective merchandise or performs illegal, default operations or not complying with the contract requirements (see chaps. V and VI);
- sells all or part of the contract or subcontracts the services under this contract (see chap. X).

The contract shall be deemed terminated, pursuant to Art. 1456 of the Civil Code, due to the fault of the supplier, through written communication by ZORZINI by simple registered letter or Public Certified Email to be sent to the supplier, informing of the will to avail itself of this **express termination clause**. In that case, the supplier cannot demand anything from ZORZINI for any reason whatsoever, whether contractual or non-contractual, without prejudice to compensation for supplies and activities carried out until receipt of the registered letter or Public Certified Email. ZORZINI also reserves the right to withdraw from the contract being performed, in the event it becomes however aware of elements or circumstances that result in the loss of the trustworthy relationship with the supplier, at the time of information on anti-mafia legislation. As a result of termination of the contract, pursuant to Art. 1456 of the Civil Code, ZORZINI shall have the right to continue the services under the contract on its own or through another supplier. In this case the services will be completed at the expense of the supplier, charging the latter with all the extra costs and ZORZINI shall be entitled to seize fees due to the supplier for services already performed, up to the amount of damages or of greater expenses dependent on the behaviour of the same supplier.

IX. Place of delivery

1. For the delivery of the items contractually defined, ZORZINI elects domicile at the office specified in chap. XI, where it is agreed that the supplier shall submit all documentation, of any nature, inherent in the contract. ZORZINI undertakes to notify changes of the address indicated below.

X. Prohibition to assign works and transfer credit

The supplier shall not relent even in part, nor subcontract in turn, the services under this contract, except for the permissions granted.

It is also prohibited any assignment of credits arising from this contract, unless authorised in writing by ZORZINI.

The agreement concluded with non-observance of the above bans shall be deemed null and void from the beginning, without prejudice to the right of ZORZINI to obtain compensation for damages arising from unlawful facts that are put in place by the supplier in violation of applicable law, including that of Law no. 55 dated 19/03/1990 (Law on anti-mafia regulations).

XI. Payments

Payment of the invoiced amounts will be as defined by the order, unless otherwise agreed in writing between the parties and will be made by ZORZINI to the supplier after delivery (acceptance of incoming goods complying with the contractual requirements, positive technical intervention/testing, end of service) and no advance payment will be made on the contractual amount.

The personal details of the supplier shall be identified in the contract/order. The supplier is obliged to communicate any changes to its registered office/address indicated in the contract/order.

The net amounts paid will be those defined by contract and determined on the basis of the actual services rendered.

Payments will be made only as a result of submission of regular invoices drafted in accordance with the relevant regulations in force.

Each original invoice must be registered and sent by email to the address fatturazione@zorzinispa.com or posted to the headquarters below:

ZORZINI S.P.A.

Via delle Industrie, 55 – Lauzacco

33050 Pavia di Udine – UDINE

VAT and Tax Code 00158020305

"The number and date of the existing order" must be stated on the same.

In the absence of such information and/or the observation of the specifications in this agreement, payment cannot take place in the terms provided without this giving the right to the supplier to claim interest for the delays incurred.

Invoices expiring must be received by our office within day 15 (fifteen) of the month, otherwise payment will be extended for 30 (thirty) days.

XII. Work environments and Risk assessment (only for work and services performed by the supplier at ZORZINI)

With the conclusion of the contract the supplier assumes full and complete technical, organisational and administrative responsibility regarding the execution of the work and that resulting both in respect of the customer and third parties. The supplier declares to have acknowledged the environmental characteristics, logistic possibilities and access to transportation means and the health and safety conditions of the places of competence at ZORZINI.

In order to determine how to handle interfering risks, which will be entered in the Single Interfering Risk Assessment Certificate pursuant to article 26 of Legislative Decree 81/08, the supplier must communicate to ZORZINI the occupational safety and health risks related to the work to be carried out and the prevention and protection measures adopted.

It is hereby specified that the supplier must:

1. take responsibility for organising the means and staff in compliance with occupational health and accident prevention rules.
2. prepare its own **Operational Safety Plan** of works with respect to its independent choices and relating to the responsibilities in the organisation of activities and in the execution of the works, which shows, in reference to the subject matter, the equipment, work means, materials and/or products used; the work procedures and the security measures taken as a result of the performed **Risk Assessment** specific to the activities indicated in the contract; information and training on accident prevention and occupational hygiene of personnel used in connection with the activities indicated in the contract, summarising the contents; the adoption of the necessary personal protection equipment, indicating types and methods of use thereof; the appointment of the head/s, for security purposes, in relation to the activities indicated in the contract.
3. inform ZORZINI of the staff that will carry out the activities indicated in the contract, ensuring the identification of the same personnel with identification badges bearing the name surname and company affiliation.
4. undertake to arrange and carry out the preliminary joint survey and coordination for the preparation of the DUVRI 2 report (single risk assessment document for the elimination of interferences) as provided for by Legislative Decree no. 81, art. 26, paragraph 3 dated April 30, 2008.
5. commit moreover to providing ZORZINI with all the documentation listed in procedure P17 (document attached to the contract) in relation to obligations under art. 26 of Legislative Decree 81/2008.

The supplier acknowledges receipt of procedure **P17** "Specifications for contracted works and access of external staff" and to have read the DUVRI 1 "Description of production activity and specific risks" of Zorzini Spa, to have acknowledged the risks contained therein and be particularly aware about current regulations regarding occupational health and safety and the conditions and works performed within the ZORZINI plant, pledging to take all the necessary measures to avoid possible risks, without exception, be they provided for in standards and/or registered in the risk assessments pursuant to Legislative Decree No. 81/08, be they emerged from inspections carried out at ZORZINI or from information and plans received by the same.

If in the course of the work it produces waste, it will be considered a producer with the burdens and obligations resulting from that definition (removal and cleaning of places).

XIII. Expenses chargeable to ZORZINI (only for contracts for works and services performed by the supplier at ZORZINI)

The following charges and/or services shall be borne exclusively by ZORZINI:

- electricity supply 400/660 volts 3-phase;
- any works not listed that the supplier must request during the offer, required to complete the work to perfection;
- any general labour for works that cannot be performed by the supplier, for safety reasons or internal procedures;

Pursuant to the provisions of art. 26, paragraph 5 of Legislative Decree 81/08 the supplier must determine "costs related to work safety" at the outset for the order in question which will be incorporated in the order separately from other costs (as not subject to reduction).

XIV. Charges at the expense of the supplier (for all types of contracts)

Transport, including loading, packaging, insurance and all other expenses related to the delivery/provision, in accordance with the requirements specified in the order/contract are to be borne by the supplier.

All services relating to maintenance contracts, testing, inspections, investigations, etc. must be carried out in accordance with the laws in force and with the specific technical rules of the requested service. An appropriate intervention report must be issued.

The supplier undertakes to keep regular payrolls and employee registers, to apply the National Collective Labour Contract to its employees and any supplementary agreements applicable locally, to ensure the remuneration laid down in the contract, to fulfil regularly all social security contributions, insurance, welfare and accident prevention charges. It also undertakes to comply with all provisions relating to accident prevention and occupational hygiene. The supplier is aware of the corporate policy of ZORZINI aimed at maximum supervision as regards anti-corruption and shall undertake to adopt all the measures to contrast this phenomenon.

XV. Charges at the expense of the supplier (only for contracts for works and services performed by the supplier at ZORZINI)

The agreed prices include all general and specific charges to perform the commissioned services/work perfectly finished in a workmanlike manner in accordance with what is stated in the contract.

By way of example and without limitation, the following charges and/or services are therefore to be borne by the supplier:

- supply of all the specific minor equipment necessary for your services;
- transport in general and consignments (including loading, packaging, insurance and all other expenses related to shipping);
- board and lodging for your employees;
- commitment to cleaning and collection of packaging and processing residues;
- provision of certificates on materials used;
- Civil/Third party liability policy for damage to persons or property;
- commitment to provide insurance for workers for accidents at work, sickness, etc. ... fulfilling all other legal and trade union duties. In this respect the supplier undertakes to comply with all legal and contractual obligations, relating to labour protection and to the protection of workers with particular reference to the Social Security regulations (disability, unemployment, occupational accidents and diseases, etc.), those governing the right to work of disabled persons covered by the Law no. 68 of March 12, 1999 and to those obligations which find their origin in the collective agreement and provide rights for workers arising from the payment of contributions by employers, family allowances, bonuses, etc.. Furthermore, the Company undertakes to apply standards and compensation laws in favour of employees not less than those resulting from collective labour agreements. It is agreed that in the period of time of the performance of the contract, if the supplier is reported by the competent labour inspectorate for default to these obligations, it cannot propose exceptions or claims whatsoever, in any capacity, for late payment.
- purchase of accident-prevention devices, medical examination for the purposes of fitness for the duty, preparation of safety precautions and hygienic measures that may be necessary in relation to the peculiarities of labour and the environment in which it will be carried out;
- commitment to send statements, issued by the bodies concerned, relating to the period prior to the signing of this agreement, certifying your contributions payment regularity;
- commitment not to provide work stations or use materials or products that can produce effects harmful to health or damage to the safety of ZORZINI staff. In the use of work equipment (trucks, cranes, forklifts, excavators or other similar thereto), prior to written approval by ZORZINI, to place a ban on travel routes for pedestrians and use the precautions needed to avoid any possible risk to the safety of pedestrians;
- commitment not to use ZORZINI staff to carry out activities under this contract, albeit in a collaborative, or voluntary form, if not contractually envisaged, nor the users thereof.
- commitment not to use in any case, if not contractually envisaged, any equipment and machines belonging to ZORZINI. Likewise this prohibition is extended to equipment, systems and machinery of any third-party companies present in the ZORZINI plant.

XVI. Applicable law

The supply contracts between the Parties shall be governed by Italian law.

The supplier declares to operate in full compliance with the provisions of Legislative Decree 81/08 (regulations for the prevention of accidents at work); as well as all other laws and regulations in force.

In case of default, the contract will be immediately terminated.