



## Argo di T.M. Fumagalli S.r.l. Supply General Terms

### Summary

- 1. Contract terms
- 2. Orders
- 3. Protection for industrial properties, Secrecy and Exclusive rights
- 4. Contract and Subcontract transfer prohibition
- 5. Deliveries
- 6. Price and payment process
- 7. Transport
- 8. Guarantees
- 9. Quality Improvement
- 10. Applicables Laws

### 1 Contract terms

1.1 Relationship between the Supplier and ARGO di T.M. Fumagalli S.r.l. (mentioned below as the CUSTOMER) is regulated by this Supply General Terms.

1.2 Possible integrations or exceptions to this General Terms are defined by particular agreements stipulated time after time between the Customer and the Supplier during Supply Contract stipulation.

### 2 Orders

2.1 Orders formulated by the Customer in writing, via telefax or verbally anticipated by phone call are always intended as integrated by this General Terms.

Order Confirmation from the Supplier, must be sent to the Customer within 3 (three) days from order receiving date: sending of this one involves the subscription to the present conditions if applicable.

2.2 Technical Features specified by the Customer in the order (or in another document consequent to it) for supplied products are an integrated part of the Contract and establish essential qualities in accordance with art. 1497 of the Civil Code.

2.3 The Supplier can not apply to supplied products any modification according to these Technical Features without a formal authorization of the Customer.

2.4 The Customer does not recognize conditions reported in letters or order confirmations or invoices from the Supplier if not preventively formally accepted by the same Customer.



### **3 Protection for industrial properties, Secrecy and Exclusive rights**

3.1 Documents, drawings, data and informations (both on paper and digital support) delivered to the Supplier remain Customer's exclusive property. Therefore, the Supplier agrees to not duplicate or not divulge them to third parties.

3.2 If the Customer owns drawings, reference samples, and any document used by the Supplier in order to realize the product, the Supplier agrees to identify and preserve adequately materials and documents and to return them to the Customer at the end of the Supply Relationship.

### **4 Contract and subcontract transfer prohibition**

4.1 Purchase Order can not be transferred by the Supplier to third parties (sub supply), nor partly nor completely, without a formal authorization of the Customer.

### **5 Deliveries**

5.1 Delivery date and quantity mentioned in the order are considered as an essential limit in accordance with art. 1457 of the Civil Code. In case of delay, the Supplier must immediately inform the Purchase Dept. and agree new terms with it.

Otherwise a penalty can be applied in the amount of 5% of the Supply sum total for every day of delay following to the third, if not differently agreed.

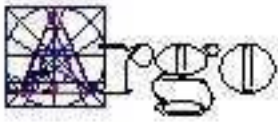
5.2 In case the delay, if not preventively authorized (see point 5.1), will be prolonged over 7 (seven) working days in total, the Customer can end the contract through a written communication (via telefax or Registered mail R.R.). The Customer reserves the right to debit possible verified damages.

5.3 In case of delay the Customer reserves the right to delay / suspend payments in progress until the products awaited will be delivered.

5.4 Partial or divided variations are admitted only after a formal authorization of the Customer.

### **6 Price and payment process**

6.1 Price negotiated should be intended as invariable in connection with the agreements stipulated during the Supply Contract definition.



6.2 Prices are intended as "Ex Destination". So packing and transport costs remain at charge of the Supplier if not differently agreed and specified in the order.

6.3 The equivalent will be paid by the Customer to the Supplier according to modes and times set-out the Purchase Order.

## 7 Transport

7.1 Material supplied always travels on account, risk of Supplier, even if the forwarder has been indicated by the Customer, if not differently agreed (transport by Customer's vehicle).

## 8 Guarantees

8.1 Supplier guarantees full Compliance of the material supplied to the Technical Specifics agreed with the Customer. It also guarantees to perfection the realization of the material supplied and respect to UNI or another Standardization Institution applicable Technical Standards and to Law dispositions in subject.

8.2 Material supplied guarantee for defects (according to art. 1490 of the Civil Code) and for good functioning (according to art. 1512 of the Civil Code) has a 12 (twelve) months term started from delivery.

8.3 Customer reserves to report defects, no essential or arranged quality, or malfunctions within 8 (eight) days by discover which can happens in very different times compared to receiving date.

8.4 The Supplier, in connection with guarantees indicated above, is, by Customer choice, alternately required to:

- a) collect and repair or replace defective, unsuitable products within 10 (ten) working days by notice of effectiveness date, if not agreed differently. All collection, reparation or replacement costs remain charged to the Supplier. If applicable, on Customer's request, guarantee also cover sold products and delivered by Customer to their own Clients.
- b) recognize a Supply Price reduction proportional to defect and damage caused. Reduction entity determination is assigned, in case of dispute, to an expert nominated accordingly by the parties or, in case of disagreement, by the President (of the Chambers of Commerce, College of experts, etc.) within 10 (ten) days from nomination request advanced by one of the parties.

8.5 The choice mentioned above must be notified by Customer to Supplier within 15 (fifteen) days by defect discover.



8.6 The Supplier shall be responsible to the defectiveness of the delivered products (materials, components or subsystems) according to obligations which the Customer must be responsible to the customer / final user in accordance with Presidential Decree n.224/1988.

8.7 Are charged to the Supplier also all documented costs incurred by the Customer for the removal and replacement of products / materials recognized as defectives.

## 9 Quality Improvement

9.1 In order to continuous quality improvement, the Supplier agrees to provide suitable measures for the implementation, maintenance and continuous improvement of a Quality Management System conforming to applicable Standard of UNI EN ISO 9000 series or equivalent considered adequate by the Customer.

The Supplier agrees to, if necessary, appropriate Quality Improvement plans with the Customer. The Customer reserves the right to verify, at any time, actions taken against Supplier.

9.2 The Customer and its Clients reserve the right to verify the Supplied Material Compliance directly among the Supplier or in receiving phase by the Customer. Anyhow these controls:

- a) not relieve the Supplier from the responsibility of supply products Conforming to Specifics;
- b) not exclude the possibility of any subsequent and justified rejection by the Customer and / or the final User;
- c) can not be used as efficiency proof of Quality Control made by the Supplier.

## 10 Applicable Laws

10.1 Every Supply Contract is exposed, more than this General Condition, to the Italian Law.

10.2 Court exclusive jurisdiction is in MILAN. The Customer reserves the right to also intervene at Supplier Court.