

## **GENERAL CONDITIONS OF PURCHASE**

### **RIMSA P. LONGONI S.R.L.**

#### **Art. 1 – GENERAL PROVISIONS**

##### **1.1. Scope and definitions.**

These general terms and conditions of purchase (hereinafter "CGA") apply to any commercial relationship through which RIMSA P. Longoni s.r.l. (hereinafter "RIMSA") purchases products, processes, services and capital goods (hereinafter "supplies") from third parties (hereinafter "Suppliers"). The object of the supply is generically defined as a "product" also with reference to the supply of work or services. Individual elements of the supply are referred to as "particulars". RIMSA and the Suppliers are also referred to as the "Parties".

These CGA, delivered to the Suppliers at the signing of any supply agreements and in any case published on the RIMSA website and on the Fusion platform, are accepted by the Suppliers by sending RIMSA a quote, a sample or a price list or by accepting a purchase order from RIMSA and prevail over any other general or particular conditions of sale of the Supplier. Any modification, integration or derogation from these CGA, or the application of different general or particular conditions of sale of the Supplier, must be specifically signed by RIMSA.

##### **1.2. Subject matter of the GTC.**

These CGA regulate the information flows between the Parties, the effectiveness of the Supplier's price lists (estimates, price lists, etc.), the formation and execution of purchase orders, the obligations of the Parties and the related sanctions, the Suppliers' guarantees and the activities of RIMSA for the control of the quality of the supply, starting from the transmission of a quote, a sample or a price list, or from the acceptance of a purchase order from RIMSA or from the signing of a supply agreement, and until the full fulfillment of all the main and ancillary obligations related to the supply itself and in any case until the end of the legal and contractual warranty period on the same supply.

#### **Art. 2 – PURCHASE OF SUPPLY**

##### **2.1. Purchase Order**

Each supply must necessarily be preceded by a written "purchase order" from RIMSA, unequivocally identified as such or as a "work order". Requests for quotes, quotations or stock of material do not constitute purchase orders. Purchase orders formulated on the basis of estimates, quotations and price lists do not constitute an offer to contract, but acceptance of the Supplier's commercial proposal. The purchase order does not exhaust the effectiveness of price lists, estimates or quotations, which retain their validity and constitute a proposal to contract by the Supplier until any revocation or variation notices, in any case to be sent with at least 3 months' notice.

## **2.2. Confirmation of receipt of the order or proposed change**

Within 3 working days, the Supplier must confirm receipt of the order in writing by e-mail. Within the same period, the Supplier is required to notify RIMSA of any changes to the specifications of the products compared to any previous supplies. The Supplier is required to deliver the supply under the conditions and within the time indicated in the purchase order which constitutes acceptance of estimates, quotations or price lists.

Within the same 3-day period, the Supplier may send RIMSA a proposal to modify the order received, clearly indicating the variations and specific reasons; These reasons are an essential element of the proposed amendment, in the absence of which, the communication is deemed as not transmitted. The sending of a different quotation or a new price list here does not constitute a suitable reason. If the changes are in accordance with these CGA and any supply agreements, RIMSA may accept the various conditions proposed by the Supplier in writing within 5 working days; Failure to do so shall result in the order being revoked.

The Supplier who has not confirmed receipt of the order or proposed the modification of the same within 3 days, is tacitly required to execute it under the conditions and within the times indicated. The Supplier may not apply, even during reporting and invoicing, different conditions or prices higher than those indicated in the order transmitted by RIMSA.

The Supplier who, after the confirmation, even tacit, of receipt of the order, requests and obtains from RIMSA the modification of the same, or issues an invoice for a fee other than that indicated in the purchase order, is required to pay the contractual penalty of 200.00 euros. This penalty is increased by 10% for each recidivism up to a maximum of 50%.

## **2.3. Price of supply.**

The Supplier who sends RIMSA its own price list undertakes not to revoke it or make any increases without at least 3 months' notice. In any case, the increases may not exceed 3% during the year and 5% during the annual update of the price list, unless the Supplier shares the *cost breakdown analysis* of the product with RIMSA. If this analysis reveals an

increase in the costs of raw materials or critical components necessary for the supply that exceeds 30% of the Supplier's profit margin on the part, the latter may make price increases equal to the increase exceeding this threshold and in any case up to 8% maximum during the year and without prejudice in any case to the notice of at least three months. In no case, not even for the concurrence of several circumstances, any increases may exceed 8% over a period of 24 months.

No price increase can be made after RIMSA has transmitted the purchase order. In fact, the same constitutes acceptance of the proposal contained in the Supplier's estimate, quotation or price list and any changes must be communicated to RIMSA before acceptance and in any case with at least 3 months' notice.

Notwithstanding the above, the Supplier is required to apply to the supply of RIMSA the lowest price that in the period between the purchase order and the execution of the supply it has charged on its e-commerce or advertised in promotional bulletins (newsletters, price lists, brochures, etc.) if this price is lower than that received by the purchase order.

## **2.4. Ancillary obligations**

By formulating a quotation, transmitting a price list and accepting a purchase order, the Supplier declares that it is able, by the means at its disposal, to supply the product, workmanship, service or good requested with the agreed quality and properties. The express or tacit acceptance of a purchase order, without prejudice to the principal obligation, obliges the Supplier to promptly notify RIMSA of the occurrence of any circumstance that may compromise the timely and exact execution of the order itself, by way of example: inconsistencies of any nature that emerged only during the processing and execution of the purchase order, delays in the supply or unavailability of materials on the market, components or tools necessary for order processing, etc. The Supplier, in addition to any components supplied by RIMSA, is required to use materials, means and tools of regular and traced origin, appropriately certified, calibrated and verified by the persons in charge of this, adequately maintained, used by regularly employed, authorized, trained and qualified personnel, all in full compliance with current legislation and any risk assessment documents. The Supplier is required to procure and deliver all the documentation proving the above at RIMSA's request, to keep the documentation provided to RIMSA up to date, not to modify drawings, projects, materials, components and established processes without RIMSA's request and consent, to notify RIMSA in advance of any changes in the production and manufacturing processes and any changes in the personnel involved, to adopt adequate management of internal processes to ensure continuity and homogeneity in supplies and to allow the identification of the root causes of any critical issues and errors, which the supplier itself is required to seek as far as its competence is concerned.

The Supplier is required to indicate in each document relating to the supply (quote, order confirmation, transport documents and invoice) the reference of the purchase order, the lot number, the serial number of the parts, the article codes of RIMSA, the certifications held by the supply and any other identification data, as well as to use the units of measurement and counting indicated by RIMSA in its order (e.g. units, dozens, etc.). The defaulting Supplier is required to pay the contractual penalty of € 50.00 for each omitted or inaccurate information in each of the documents indicated above.

### **Art. 3 – TRANSPORT AND DELIVERY OF MATERIALS AND SUPPLY**

#### **3.1. Delivery to the Supplier of materials, components and semi-finished products**

The Supplier who receives from RIMSA or from third parties on its behalf materials, components or semi-finished products necessary for the execution of the supply is required to promptly verify the correspondence of what has been received with the transport document and the purchase order (or "work order"). Within 2 working days of receipt of the above, the Supplier is required to confirm in writing to RIMSA the quantity received of each good, attaching a copy of the transit documents signed upon delivery. In the absence of such communication, it is presumed that the Supplier has received what is indicated in the transport document, a copy of which must in any case be sent to RIMSA. The Supplier is required to return to RIMSA all materials, components and semi-finished products that for any reason it has not used for the realization of the supply, being in any case excluded the possibility that the same proceeds with disposal without the prior written authorization of RIMSA. The Supplier is required to reimburse RIMSA for the value of materials, components and semi-finished products that the Supplier has lost, deteriorated during processing or disposed of without authorization.

The Supplier who delivers to RIMSA lower quantities of materials, components or semi-finished products due to not having communicated the receipt of a quantity different from that resulting from the delivery note or for having partially lost, deteriorated or disposed of them is required due to its default to pay the value of the missing goods (including purchase price, any previous processing, transport costs, etc.). In the event of a repeat offence, the Supplier is also required to pay the contractual penalty of 200 euros.

#### **3.2. Packing Supply**

Unless otherwise agreed, the costs for packaging and delivery are included in the delivery price. Due to the particular sensitivity of the products handled and the automated procedures used by RIMSA for the acceptance, verification and storage of supplies, the Supplier is required to scrupulously comply with the packaging instructions provided by RIMSA. These instructions may regulate the number and size of packages,

the division into packaging sub-units, the use of certain units of measurement or counting, the use of specific transport media or packaging materials, etc.

If the packaging instructions provided by RIMSA are not complied with, the Supplier is required to pay the contractual penalty of 200.00 euros due to its non-compliance and as compensation for the personnel that RIMSA will have to assign to the manual acceptance and repackaging of the supply. The aforementioned penalty is increased by 10% for each recidivism up to a maximum of 50%. The Supplier is liable for any greater damage.

### **3.3. Transport document**

The Supplier is required to attach to the documents of transport, the declaration of origin of the material, the test and conformity certificates and any other certification. The delivery note must always show the exact quantity transported by the carrier: even if the supply is delivered by multiple shipments, each of these must be accompanied by an exact delivery note.

The defaulting Supplier is required to pay the contractual penalty of € 50.00 for the omitted or incorrect indication of the quantity transported in the delivery note and € 100.00 for each missing document, even if already transmitted to RIMSA with previous supplies.

### **3.4. Time and place of delivery and penalties for non-performance**

The Supplier is obliged to deliver the supply on the day and at the place indicated in the purchase order. Delivery must take place by 4.30 p.m. if the RIMSA office in Seregno is the recipient or by 3.30 p.m. if the RIMSA office in Cabiato is the recipient. Any advances or delays in delivery must be promptly communicated to RIMSA to allow the appropriate management of the unforeseen event. The Supplier undertakes not to make deliveries after the 25th of the month without having previously agreed with RIMSA the delivery and issuance of the invoice in the following month. RIMSA has the right to cancel the order if it is not possible to estimate the delay or wait for the supply.

If the supply is delivered in advance, the Supplier undertakes to maintain the deadline originally set for payment of the fee, i.e. 60 days at the end of the month from the date of delivery initially scheduled. If the supply is delivered late, the Supplier is required to pay the contractual penalty of € 50.00 for each day of delay with respect to the scheduled date. The aforementioned penalty is increased by 10% for each recidivism up to a maximum of 50%. This is without prejudice to RIMSA's right to compensation for any greater damage.

### **3.5. Excess or impairment of the quantities stated on the purchase order**



The Supplier is required to promptly communicate any excess and impairment of the supply with respect to the quantities indicated in the purchase order, as RIMSA is willing to agree on the acceptance of discrepancies of up to 8%. In the absence of such communication, RIMSA reserves the right to accept or reject surpluses of up to 5%, rejecting in any case the excess amount. RIMSA reserves the right to refuse the entire supply if the disability renders the residue unusable. The supplier is required to collect at its own care and expense within 5 days what RIMSA has refused; if it does not do so, RIMSA is authorized to retain it free of charge.

The fee for the accepted excess is reduced by 50% and the reduction of the fee for the impairment is equal to the price of the parts not supplied, increased by 20% as a contractual penalty. In any case, compensation for greater damage is reserved. For the supply of loose small parts only, no penalties are applied for differences of less than 1%.

#### **Art. 4 – CONSIDERATION AND PAYMENT TERMS**

##### **4.1. Consideration for the supply and payment terms**

The consideration indicated in any estimate and in any case in the purchase order must be considered immutable and not subject to adjustment or revision of any kind, being charged to the Supplier also in derogation from the provisions of Articles 1467 and 1664 of the Italian Civil Code, any risk related to extraordinary and unforeseeable events. Only in the event of excess or impairment of the supply, the agreed fee will be subject to the variations related to this eventuality.

The consideration for the supply is paid by RIMSA 60 days from the delivery of the supply and subject to the issuance of the invoice by the Supplier.

##### **4.2. Offsets and price deductions**

The Supplier acknowledges to RIMSA the right to offset any of its receivables against counter-claims deriving from the application of contractual penalties and the value of materials, components and semi-finished products lost or deteriorated by the Supplier. Such counter-receivables are due as soon as the default occurs, without the need for prior notice.

#### **Art. 5 – WARRANTIES, OBLIGATIONS AND RESPONSIBILITIES OF THE SUPPLIER**

##### **5.1. Supplier guarantees**

The Supplier declares that RIMSA manufactures and markets medical devices and that the supply is therefore intended for this specific use. The Supplier guarantees that the supply is adequate for the purpose, meets all the requirements prescribed by the regulations applicable to medical devices, even if not explicitly referred to by RIMSA, and

is carried out in a workmanlike manner, in full compliance with the regulations, including those of the sector, in force at the time of delivery and in accordance with the technical specifications indicated by RIMSA in the purchase order and in any supply agreements or protocols annexed. It guarantees that the products, processes, services and goods supplied possess all the agreed qualities, are suitable for the declared use and are safe for those who will have to carry out the subsequent processes and for end users. It is required to provide what is supplied with all the necessary and agreed certifications and markings, guaranteeing the regularity and truthfulness of the same and the marketability of what is supplied, which must not violate the rights and industrial properties of third parties either in Italy or abroad. In any case, the Supplier indemnifies RIMSA from any claim by third parties and from any action that may limit or prevent the free use or exploitation of what is the subject of the supply. All the foregoing warranties remain in force even if the object of the supply is incorporated or used as a component of another good manufactured or assembled by RIMSA or by third parties on its behalf.

## **5.2. Defects, defects and non-conformities in the supply**

Unless the Supplier guarantees the supply for a longer time, the warranty for defects, defects and non-conformities has a duration of 24 months from the delivery of the supply. RIMSA is required to report any defect, defect and discrepancy in writing to the Supplier within 30 days of discovery. Within 5 days of the report, the Supplier may make written observations or appoint a trusted technician or laboratory at its own costs to investigate the case. The Supplier who does not take any initiative within the above term tacitly acknowledges the existence of what is disputed by RIMSA undertakes to promptly remedy it at its own care and expense. The Supplier who expressly acknowledges what has been reported by RIMSA may agree to withdraw the disputed parts at its own care and expense.

## **5.3. Remedies for defects, defects and non-conformities in the supply**

The Supplier is required to promptly remedy defects and discrepancies reported within the agreed terms at its own care and expense. If, at the discretion of RIMSA, these events can be resolved without prejudice to the quality of the part, the Supplier is required to collect the affected parts within five working days and return them repaired within the following ten days. If the parts have already been repaired under warranty or RIMSA deems that they cannot be repaired without prejudice to quality, the Supplier is required to deliver the same number of new parts within 10 days, at the same time withdrawing the previous supply or authorizing RIMSA to dispose of them. If it is not possible to carry out the repair or replacement, the Supplier is required to return any amount already received from RIMSA and issue a credit note, excluding any other form of reimbursement,

at the same time withdrawing the previous supply or authorising RIMSA to dispose of it. In any case, the Supplier shall reimburse RIMSA for the value of deteriorated materials, components and semi-finished products and additional ones necessary for repairs or replacements. The Supplier is required to remedy purely formal irregularities within and no later than five working days.

For each day of non-compliance, the Supplier is required to pay the contractual penalty of 50.00 euros. This penalty is increased by 10% for each recidivism up to a maximum of 50%. In any case, compensation for greater damage is reserved.

#### **5.4. Search for the "root causes" of defects, defects and non-conformities in the supply**

The Supplier is required to search for and communicate to RIMSA the "root causes" of any defect, defect and non-conformity of the supply and of any breach of contract, including those resulting in the application of a penalty. Within and no later than twenty working days from the non-fulfilment or discovery of the defects and discrepancies, the Supplier is required to communicate and document to RIMSA: the origin and causes of the irregularity, the reasons why they have escaped the Supplier's internal quality controls and the countermeasures taken by the same to avoid similar occurrences in the future. This activity is not carried out by the Supplier in its own exclusive interest, but also in the interest of RIMSA which, moreover, due to the special product categories handled, is also subject to the monitoring and control of authorities, including public authorities, to which it is required to provide complete and satisfactory explanations in the event of malfunctioning of the products placed on the market. If the Supplier does not intend to carry out the necessary investigations, it is required to allow RIMSA to do so, possibly anticipating the costs that will ultimately be charged to the Supplier.

The Supplier who fails to carry out the necessary internal investigation activities and to communicate the results to RIMSA or who does not give consent for RIMSA to carry out such investigations is required to pay the contractual penalty of 50.00 euros for each day of delay. This penalty is increased by 10% for each recidivism up to a maximum of 50%.

#### **5.5. Realization of products and execution of processes**

The Supplier is required to manufacture the products and carry out the processes by scrupulously observing the most up-to-date edition of the drawings, projects and operating instructions provided by RIMSA, without making any changes or modifications that have not been previously agreed upon and authorised in writing by RIMSA. For the processing of products intended for RIMSA, the Supplier is required to use only the components and templates that may be supplied by RIMSA. If, during processing, the Supplier detects the non-conformity of a component supplied by RIMSA, it must be



marked with a red marker, segregated in special containers used for defective material and finally returned to RIMSA for appropriate checks and replacement with another new component. Any material delivered to the Supplier for the execution of the supply (drawings, projects, operating instructions, components, templates and so on) remains the property of RIMSA, receiving the Supplier only custody for the agreed purposes. Such material must be used by the Supplier with appropriate qualified diligence and returned by the same to RIMSA upon delivery of the supply or at the termination of the commercial relationship.

### **5.6. Machine reports, machining parameters and specialized personnel**

To ensure maximum traceability and homogeneity of supplies, the Supplier is required to send RIMSA at the establishment of commercial relationships and on the occasion of each supply a complete report of the machines used for the execution of the supply and an exhaustive list of the parameters of the work performed, which the Supplier is required to maintain unchanged over time. The Supplier who makes use of specialized personnel for the execution of the supply is required to send RIMSA, upon transmission of the price list or at the same time as the acceptance of the purchase order, the list of personnel in charge containing the certifications and patents owned by each one.

### **5.7. Obligation of confidentiality and intellectual property**

The Supplier is required to keep confidential and not to disclose any information relating to RIMSA, its management and its industrial activity, learned as a result of the supply. He is also required not to use what he has learned for purposes other than the supply itself. The obligation of confidentiality does not cease with the execution of the supply or the termination of commercial relations between the Parties. The Supplier acknowledges and declares that all intellectual property rights on RIMSA's designs and designs, on the components supplied by it and on the products marketed by RIMSA, belong exclusively to RIMSA, even if such information or objects have been shared or made available to the Supplier to enable the supply.

The Supplier may not, under any circumstances, without the prior written authorisation of RIMSA, advertise the commercial relationship with RIMSA, in commercial communications directed to third parties or the public. The defaulting Supplier is required to pay the contractual penalty of 5,000 euros, without prejudice to compensation for any greater damage caused to RIMSA.

### **5.8. Insurance policy**

The supplier is required to stipulate and maintain at its own expense, for the entire duration of the supply, insurance policies with leading national or international institutes

to cover the risk of civil liability towards third parties for the products and processes supplied, as well as for any damage caused to RIMSA by its employees, collaborators and subcontractors, all with a minimum ceiling of one million euros per claim.

### **5.9. Inspections at the Supplier and supply quality controls**

In order to verify the regularity of the supply operations, upon written notice RIMSA has the right to send its representatives to the place of execution, production, storage and sale of the supply.

With specific protocols, shared with the Supplier, RIMSA reserves the right to regulate further quality controls of the supply based on objective evidence that may give rise to discrepancies in the supply or integrate hypotheses of defects and defects of the same.

### **5.10. Subcontracting**

The Supplier must carry out the supply itself. If it intends to subcontract it in whole or in part to third parties, it must beforehand: communicate to RIMSA the references of the subcontractor and the mapping of the processes with an indication of the entity responsible for each segment of the flow; obtain the written consent of RIMSA; have the subcontractor sign these CGA and any supply agreement, sending a signed copy to RIMSA. If all the tasks described above are not fulfilled, subcontracting constitutes a serious contractual offence of the Supplier. Even in the case of regular subcontracting, the Supplier remains the sole interlocutor of RIMSA and the principal obligor of the obligations undertaken. The Supplier who subcontracts the supply is the guarantor of the subcontractor at the first request of RIMSA for any breach and damage by the subcontractor.

### **5.11. Indemnification and indemnity**

The Supplier indemnifies and holds RIMSA harmless from any loss, damage, liability, cost, expense and penalty that it may incur, including as a result of claims, requests and actions of third parties that are consequent or in any case attributable to the actions of the Supplier and any subcontractors or deriving from the obligations and guarantees incumbent on them by law, of these CGA or any supply agreements.

### **5.12. Serious breaches of the Supplier**

Serious breaches and legitimize the termination of the contract and compensation for damages, among others: failure to stipulate or renew the insurance policy, unauthorized subcontracting of the supply, refusal to allow RIMSA to carry out inspections and verifications, failure to cooperate in the search for *root* causes defects, defects and discrepancies in the supply or non-compliance by the Supplier and the failure to deliver

relevant documents, including the declaration of origin of the material, the parameters of the work performed, the reports of the machines used, the patents and certifications held by the specialized personnel employed, the test and conformity certificates and the quality certifications of the supply.

## **Art. 6 – FINAL AND FINAL PROVISIONS**

### **6.1. Organizational model and code of ethics**

The Supplier declares that it is aware of the fact that RIMSA has adopted a code of ethics and implements an organization, management and control model pursuant to Legislative Decree 231/2001 to prevent the commission of crimes. The Supplier declares that it has read the above documents, accepts them in full, adheres to the principles described therein, undertakes to comply with their contents and refrains from any conduct that could constitute a crime.

### **6.2. Contract expertise**

In the event of a disagreement arising relating to the application of these CGA or any supply agreement or related to any aspect of the supply, the Parties are required to confer on three professionals the power to carry out a contractual appraisal with verification in lieu of their will and having binding effect. These professionals are chosen one for each Party within ten days of the formalization of the disagreement and the third or those missing by the President of the Order of Engineers of Monza, who is paid an emolument of 200 euros for the incumbent equally divided between the Parties. Within six months of the assignment of the assignment, the professionals must deliver the contractual expertise to the Parties, which cannot go beyond the object of the disagreement. The Party in breach of this clause, which is not of an arbitration nature and does not derogate from ordinary jurisdiction, is required to pay the contractual penalty of 2,000 euros in favour of the diligent Party.

### **6.3. Amendments and partial invalidity of the CGA**

These CGA may not be amended or cancelled, in whole or in part, except by means of express derogations contained in specific supply agreements signed by the Parties. These agreements, as they reiterate or specify clauses already present in these CGAs, constitute specific approval of the clauses referred to. RIMSA reserves the right to update these CGA at any time. Each supply is subject to the CGA in force at the time of transmission of the purchase order, the inspection and keeping of which is the responsibility of the Supplier, without prejudice in any case to the different agreements contained in any supply agreements.

Should any clause of these CGA become invalid or be held to be null, unenforceable or unenforceable, such invalidity or ineffectiveness shall not affect the validity and effectiveness of the remaining CGA. Any invalid, void, unenforceable or ineffective clauses must be replaced by new clauses suitable for expressing the same economic principles, the spirit and the contractual balance as the invalid ones.