



GENERAL TERMS OF PURCHASE GRUPPO LACTALIS ITALIA S.R.L.

Article 1) Scope and definitions

1.1) These general terms of purchase (hereinafter “**Terms**”) apply to the sale of goods or to the provision of works and/or services by the Supplier to Gruppo Lactalis Italia S.r.l., hereinafter the “**Company**” or the “**Buyer**”), in accordance with the agreements entered into by the Parties through their express or factual confirmation of the purchase orders (hereinafter “**Order/s**”) or through Orders issued after a proposal/offer received by the Supplier.

1.2) The Terms are not binding on the Company, nor are they apt to create any sort of expectation regarding the conclusion of current negotiations, or the conclusion of subsequent purchases if an Order is not issued by the Company.

1.3) “**Supplier**” means the subject who provides goods and/or works and/or services to the Company; “**Parties**” means the Supplier and the Company.

1.4) These Terms, which form an integral part of the Order, may be supplemented or modified by specific provisions in the Orders as agreed upon by the Parties, it being understood that while such provisions will override the content of the Terms, their effectiveness will be limited to that specific Order.

1.5) These Terms cancel and replace to all effects and purposes any previous oral or written agreement between the Parties regarding the same goods or service under these Terms.

Article 2) Performance of the Order

2.1) Upon acceptance of the Order, the Supplier shall fulfil with the maximum diligence both the main services and any accessory services, even if not expressly set out in these Terms, shall bear all the costs for personnel and means used, and shall guarantee the use of equipment, materials and anything required for the performance of the services, of which it has exclusive property or legitimate use.

2.2) The Supplier personnel, accessing for any reason the Buyer production plants, shall go to the reception desk in order to take notice of the rules and requirements of the plant, and in particular those related to health and safety, to which he shall comply.

2.3) Unless agreed to the contrary, for the execution of the services and the agreed upon activities and/or the delivery or discharge of goods, it is forbidden to use, even temporarily, goods and machineries owned by the Company (e.g.: consumption material, warehouse material, spare parts, stairs, trestles, forklifts, individual protection devices, clothes, detergents, tools and working materials).

Article 3) Non-exclusivity of the supply

Unless otherwise agreed in writing by the Parties, the Supplier shall not be required to supply the goods/services under exclusive terms.

Article 4) Terms of delivery and penalties

4.1) The terms of delivery established and set out in the Order shall be binding upon the Supplier.

4.2) Subject to the right of compensation for further damage and without prejudice to any other right recognized by the Company under these Terms, in the event of default on the part of the Supplier of its contractual obligations, the Company shall be entitled:

i) to apply a penalty equivalent to 10% of the value of the economic transaction set out by the contract for every instance of breach, subject to the right of compensation for further damage and/or

ii) to purchase from other suppliers the goods and/or services not delivered/not performed within the agreed date, recovering any price difference from the defaulting Supplier;

iii) to terminate the supply agreement under art.1456 of the Italian Civil Code.

4.3) The quantities ordered may be increased or decreased by a maximum of 10% upon request of the Company.

Article 5) Conformity/Inspections and audits by the Buyer

5.1) All the goods/services supplied shall comply with the requirements expressed by the Company and agreed by the Parties. The Supplier guarantees that the goods are (a) compliant with the requested specifications and produced in accordance with the applicable law.

5.2) The Buyer reserves the right to refuse and return to the Supplier, at Supplier’s expenses, all the goods that (a) exceed the ordered quantities, (b) are not compliant with the requested specifications or defective, or (c) are in breach of any applicable law.

5.3) Any discrepancy or non-conformity of the goods with what agreed by the Parties and any faults, if visible, shall be reported to the Supplier in writing (including by registered letter with advice of receipt, fax and/or Certified Electronic Mail) within fifteen business days from delivery. For non-visible faults and non-conformities, the report shall be made within fifteen days from the time of detection.

5.4) The Buyer shall, at its own discretion, be entitled to the substitution of the defective or rejected goods or the refund of the price of purchase and the compensation of damages incurred.

5.5) The Supplier shall hold the Company harmless from any damage, action, right or claim by third parties in any way deriving from or connected with the use of the goods or of the service supplied.

Article 6 - Price, invoicing and payments

6.1) Where an Order does not explicitly include a formula for price variability or adjustment, the price shall be intended as fixed and invariable for the entire supply period.

6.2) The price, terms and condition of payments are defined in the Order. The Supplier guarantees that the costs indicated in the order are complete and that there are not additional costs of any kind (e.g. shipment, packaging, labelling, custom duties, and so forth) to be incurred by the Company without the relevant information expressed in the Order and its written approval. In case of the provision of services, any extra activity not indicated in the order needs prior approval of the Buyer.

6.3) The agreed prices shall be paid upon issue of an official invoice or equivalent document; in the event of failed or delayed payment, the penalty interest rate shall be equivalent to the Reference Rate set by the European Central Bank (ECB), upon notice to perform within the term of 15 (fifteen) days. Non-compliance within such term shall result in the application of the above penalty interest. If the object of the supply falls under art.62 of Legislative Decree no. 1 2012 amended and converted into law no.27 of 2012, the terms of payment shall be subject to the provisions specified therein.

Article 7 - Non-assignment of contract and credit

7.1) The Supplier shall not be entitled to transfer the Order nor to subcontract all or part of its performance without the prior written consent of the Buyer. Even where subcontracting is authorized by the Company, the Supplier shall continue to be responsible for the supply of the goods and/or services.

7.2) Assignment of credit by the Supplier is also excluded.

Article 8) Intellectual and industrial property rights

8.1) The Supplier acknowledges that the names and trademarks used by the Company are the exclusive property of the Company and/or that the latter is legally entitled to use thereof. Consequently, the Supplier shall not dispose of and/or use such trademarks and names, alone or in combination, in any manner or form, either during the performance of the Order or after its termination.

8.2) When the formulas and/or the composition of the goods or trademarks to be used for the same are not specified or supplied by the Company, the Supplier shall guarantee that the goods and their intended use do not violate the industrial property rights of third parties.

8.3) In the cases set forth in 8.2 herein, the Supplier hereby holds the Company harmless from any claim, legal action and request for compensation by third parties for acts of unfair competition or breach of industrial and intellectual property rights related to the goods.

Article 9) Confidentiality and non-disclosure

9.1) The Supplier acknowledges that during the supply they may obtain elements, news, information and more in general data subject to extreme discretion and/or industrial privacy constraints, as well as any other news, disclosure, fact, project, information in the broadest sense of the term, acquired on and/or from the Company. For this reason, the Supplier undertakes on their own behalf and on behalf of their employees and of other staff, to observe the utmost discretion in regard to any information acquired during the supply and/or the request for supply formulated by the Company, by its employees or other staff, throughout the contract period and for five years after termination thereof.

9.2) All the material and information, of any nature whatsoever, supplied by the Company to the Supplier, shall remain the property of the Company and shall be used exclusively for the purpose of the contract, with disclosure prohibited unless authorized by the Company.

9.3) Upon termination of the supply, the Supplier shall return any and all documentation provided to them.

Article 10) Privacy

In regard to personal data processing activities connected with the fulfilment of contract obligations set out in the Order and in these Terms, the Parties guarantee that processing shall fully comply with the General Data Protection Regulation (EU) 2016/679 and with Legislative Decree No. 196/2003, as amended by Legislative Decree No. 101/2018.

Article 11 - Force majeure

Events shall be considered causes of force majeure only if they are extraordinary and unforeseeable events that prevent the fulfilment of the Order such as, inter alia, earthquakes, floods, wars, epidemics, nationwide strikes. Should the force majeure event continue for longer than two weeks, the Company shall be entitled to cancel the supply.

Article 12) Withdrawal

12.1) The Company shall be entitled to withdraw from the Contract by written notice to the Supplier, if the Supplier suffers significant deterioration of its earnings, balance sheet and/or cash flows such that it is reasonable to assume that they will be unable to fulfil their obligations.

12.2) The Company shall also be entitled to terminate the supply agreement in its sole discretion by giving a prior notice of 30 (thirty) days to the Supplier. The good or services to be delivered or performed during the notice period shall be honoured according to the contractual obligations of the Parties, at the agreed upon quality level. The Company shall pay any amount due for such goods and/or services.



Article 13) Termination for breach

Without prejudice to any other right granted to the Company under these Terms or under the law, the Company shall be entitled to terminate, under article 1456 of the Italian Civil Code, the supply agreement at any time by written notice to the Supplier, in the event that the Supplier: (i) is subject to suspension or cancellation of the licences and/or permits needed for the supply of the goods/service; (ii) breaches any of the obligations set out in articles 7, 8 and 9 and 16.

Article 14) Insurance

14.1) In all the cases in which it is required by the nature of the goods/service supplied and/or the goods/service supplied may involve a risk for the Company and/or by the latter towards their customers or employees or staff in general, or when the Company specifically requests it, the Supplier shall take out an insurance with a primary insurance company to cover the above mentioned risks; the insurance policy shall be active from the first day of validity of the supply agreement and shall be maintained valid throughout its duration.

14.2) The Supplier shall furnish to the Buyer a copy of the above policy/policies within one week from issue of the Order.

14.3) The underwriting of insurance contracts shall not eliminate nor reduce the direct responsibility of the Supplier under these Terms.

14.4) The Supplier undertakes to do all that is necessary to obtain refunds from insurance companies and, in case of third-party liability, to receive the compensation and damages to which they are entitled.

Article 15) Safeguard, tolerance clause

15.1) In the event of disputes arising between the Parties for whatever reason, the Supplier shall not be entitled to suspend performance until otherwise instructed by the Company.

15.2) The Terms cancel and replace and in any case render inapplicable any general terms of the Supplier.

15.3) Any default and/or action departing from the provisions set out herein, even if tolerated or not objected by the Company, shall not constitute derogations from these Terms, nor precedents to be invoked, nor shall they be interpreted as tacit acceptance of such defaults.

Article 16) Compliance with business ethics

16.1) The Supplier shall comply with the rules and regulations set out in Legislative Decree No.231/2001 and subsequent amendments. The Supplier declares that she/he has read the Company's Code of Ethics and the Organizational, Management and Control Model under Legislative Decree No. 231/2001 available on the website www.gruppolactalisitalia.com

and undertakes to observe the principles contained therein.

16.2) The Supplier undertakes - also on behalf of its employees and/or any other staff who may come into contact with the Company for the performance of the duties assigned, to promptly report to the Supervisory Body of the Company organismodivigilanza@it.lactalis.com any act, fact or conduct that they become aware of during the performance of the duties which may be recognized as criminal offences under Legislative Decree no. 231/01 and result in administrative liability of the Company.

Article 17) Competent jurisdiction and applicable law

The Supplier recognizes the exclusive jurisdiction of the Court of Milan over any dispute. The applicable law shall be Italian Law exclusively.

Date _____

THE SUPPLIER _____

The Supplier expressly declares, under articles 1341 and 1342 of the Italian Civil Code, that s/he has read and specifically approved the following clauses of the general terms of purchase: article 4 (Terms of delivery and penalties); article 5 (Conformity/Inspections and audits by the Buyer); article 7 (Non-assignment of contract and credit); article 8 (Intellectual and industrial property rights); article 10 (Privacy); article 11 (Force majeure); article 12 (Withdrawal.); article 13 (Termination); article 14 (Insurance); article 15 (Safeguard, tolerance clause); article 16 (Compliance with business ethics); art. 17 (Competent jurisdiction and applicable law).

Date _____

THE SUPPLIER _____