

1. Formation of an agreement

- 1.1. Provisions varying from these conditions are only valid if agreed upon in writing. Insofar as requests, orders, and agreements relating to these purchase conditions contain varying provisions, and the applicability of these purchase conditions has not been excluded, all other provisions of these conditions will explicitly continue to apply.
- 1.2. In the event that requests, orders and agreements contain provisions that contradict the provisions in these purchase conditions, the separately agreed upon provisions prevail over these purchase conditions.

2. Duty of disclosure

- 2.1. The other party undertakes to inform themselves about the intended purpose of and the specific circumstances for which PAGO will use the goods or services.
- 2.2. The other party undertakes to provide PAGO with all details and information about all facts and circumstances that may be of importance to PAGO in connection with further treatment or processing, instructions for use, safety instructions, and further distribution of the products or services supplied by it.
- 2.3. The other party warrants that it has not withheld any information that could be of importance in any manner whatsoever in connection with the provisions of Article 2.2.
- 2.4. In the event of a repeated delivery in connection with a product, the other party undertakes to timely disclose information in writing on changes to the relevant product relating to the construction, materials and manufacturing.

3. Confidentiality

- 3.1. The other party will keep confidential and not disclose the existence, nature and contents of agreements with PAGO and any other company information without permission in writing.
- 3.2. Where required, PAGO may require the other party to sign a nondisclosure agreement.
- 3.3. The provisions of Article 3 will also continue to remain in force after the termination of the agreement.

4. Changes

- 4.1. PAGO may change the volume and/or the properties of the goods or services to be supplied at all times in consultation with the supplier. These changes will be agreed upon in writing.
- 4.2. If, at the discretion of the other party, a change will affect the agreed upon fixed price and/or the date of delivery time, prior to implementing this change the other party must inform PAGO about this as soon as possible in writing, no later than within 5 working days after the notification of the intended change. If, in PAGO's opinion, the consequences for the price and/or delivery date are unreasonable, parties will consult with each other.

5. Quality and title of the delivery

- 5.1. The other party warrants that the good or service supplied:
 - is suitable for the intended purpose, under anticipated circumstances at the intended location.
 - is free of design errors, unless the design stems from PAGO.
 - is of good quality and free of defects and in compliance with the Supplier Quality Agreement (if applicable)
 - is made by competent staff.
 - is made with new materials.
 - is made out of the agreed upon materials in accordance with the agreed upon working methods.
 - is fully in conformity with the requirements laid out in the agreement, specifications, drawings, calculation and the latest version of PAGO's quality requirements.
 - is inclusive of all drawings, calculations, operating and maintenance instructions and parts which will be available at all times for use, assembly, repairs or maintenance records for a period of at least ten years after the delivery
 - complies with the legal requirements applicable in Italy.

6. Safety

- 6.1. The other party, its employees as well as any third parties engaged by the other party must observe all legal safety, health and environmental regulations.
- 6.2. The other party, its employees as well as any third parties engaged by the other party, must observe the applicable safety instructions, rules of conduct and attendance registration during work carried out in the premises on PAGO's sites.
- 6.3. All engineers provided by the other party to work on machines and installations at PAGO must hold a valid VCA (Veiligheids Checklist Aannemers) certificate (Safety Checklist Contractors Certificate).

7. Intellectual property

- 7.1. The other party warrants that no delivery infringes upon the intellectual or industrial property of third parties. PAGO shall also be indemnified against all financial consequences of claims of third parties relating to an infringement of their intellectual or industrial property rights.
- 7.2. All intellectual or industrial rights arising from the execution of an order by the other party, its employees or third parties involved in the execution of the order will remain vested in PAGO.
- 7.3. The other party may solely use the information which has been made available by and which is the intellectual property of PAGO for the execution of the agreement. PAGO's intellectual property may only be used with PAGO's prior written consent.
- 7.4. The provisions of Article 7 will also continue to remain in force after the termination of the agreement.

8. Delivery

- 8.1. Unless agreed otherwise, delivery shall be "Delivery Duty Paid" in accordance with the Incoterms version applicable at the time of the order.
- 8.2. Delivery will be made to the address indicated and at the date agreed upon in the agreement.
- 8.3. Insofar as agreed upon, certificates, assembly, maintenance and operating instructions, drawings or other documents shall form part of the delivery.
- 8.4. The agreed delivery date(s) or period(s) must be considered to be final. In the event that these are exceeded, the other party will be in default without further notice.
- 8.5. The other party will immediately inform PAGO of an expected failure to meet the deadline, without prejudice to Article 8.4.
- 8.6. Partial deliveries, overruns, or underruns are not allowed without PAGO's permission, without prejudice to Article 8.4.
- 8.7. Deliveries must be accompanied by a packing list stating:
 - PAGO's purchase number.
 - amounts supplied and to be supplied.
 - description of the goods.
 - PAGO's contract and/or item numbers, if applicable.
- 8.8. The other party must sufficiently package the products to be supplied at its own costs and risk. The other party is liable for all losses caused by insufficient or unsuitable packaging.
- 8.9. Upon delivery at the agreed delivery address, PAGO will sign for receipt of the number of packaging units supplied. This is not an acceptance of the quality and quantity of the contents thereof by PAGO.

9. Inspection

- 9.1. PAGO will at all times be entitled to have the products inspected in between during the manufacturing, processing as well as the storage at the supplier.
- 9.2. Upon request, the other party will allow PAGO or its representative access to the production, processing, or storage location.
- 9.3. The other party cannot derive any rights from the results of an interim inspection.
- 9.4. PAGO will be entitled to inspect the goods upon delivery at the agreed location prior to the acceptance thereof.
- 9.5. The other party shall be the owner of and bear the risks of any rejected products.
- 9.6. If products are rejected upon delivery, this shall constitute an attributable failure.

10. Passing of ownership and the risk

- 10.1. The ownership of goods shall pass to PAGO at the time of delivery, and, where required, have been assembled or installed.
- 10.2. Where PAGO makes resources available to the other party, or have these manufactured or purchased by the other party such as raw and ancillary materials, tools, drawings, sketches, specifications, software, and samples for the performance of obligations of the other party, these are or shall become the property of PAGO. The other party will store these separately from their own property or that of third parties. The other party will mark them as property of PAGO.
- 10.3. The risk is passed to PAGO after the delivery, as described in the purchase order, has been made by the other party at the agreed location and the provisions of these conditions have been complied with.

11. Failures

- 11.1. In the event of an attributable failure of the other party, it will be in default without further notice. PAGO's right to claim full compensation and its other statutory rights arising from this attributable failure will not be prejudiced.
- 11.2. If the other party is of the opinion that it cannot meet its obligations due to a non-attributable failure, it must notify PAGO forthwith thereof stating the reasons for this being a non-attributable failure.
- 11.3. If the other party is permanently incapable of complying with its obligations due to force majeure, PAGO is only obliged to pay for the performance delivered.
- 11.4. Force majeure shall solely mean an external cause such as a natural disaster, mobilisation, and/or (civil) war preventing the performance of the other party through no fault of its own or for which it does not bear the risk.
- 11.5. Force majeure on the part or other party shall in any case not include: lack of employees, strikes, breach of contract of third parties engaged by the supplier, failure of auxiliary materials and liquidity or solvability problems.

12. Prices, invoicing and payments

- 12.1. All prices offered to PAGO are fixed, exclusive of VAT and inclusive of all costs in connection with the compliance of the obligations of the supplier and may not be increased during the period of validity of the offer.
- 12.2. In the event of a prepayment, PAGO may require a bank guarantee from the other party as security for the repayment in the event of default. This bank guarantee will be provided at the expense of the supplier by one of the large Italian banks.
- 12.3. Unless agreed otherwise in writing, payments will be made 90 days End of month.
- 12.4. PAGO may suspend payments if it has observed defects in the goods supplied and any installation or assembly thereof.
- 12.5. The invoice must be addressed to PAGO's financial administration department. When provided, the purchase order number must be stated on the invoice.
- 12.6. PAGO may settle payments due with amounts owed by the other party.

13. Guarantee

- 13.1. If it appears after the delivery or completion that the goods or services supplied do not comply with the provisions of Article 5 of these conditions, the other party will replace or repair these at its expense.

14. Liability

- 14.1. The other party is liable for all damages or losses that may arise in connection with the performance of the obligations under the agreement.
- 14.2. The other party indemnifies PAGO against claims, liabilities, and demands in respect of any form of a direct or consequential damage or loss directly or indirectly related in any manner whatsoever to the obligations performed under the agreement by the other party.
- 14.3. PAGO may require the other party to take out insurance to cover the risks and to stay insured for the term of the agreement. On PAGO's demand, the other party must produce for inspection the policy to that effect.

15. Termination

- 15.1. Without prejudice to PAGO's other rights, PAGO may fully or partially terminate agreement without prior notice of default, through a written notice, in the event of:
 - failure in the performance of one or more obligations under the agreement by the other party.
 - the other being in liquidation or having been granted suspension of payment.
 - the other party has shut down or liquidated its operations or a substantial part of its assets is being seized or if it is transferring its business to third parties.

16. Transfer of obligations

- 16.1. The other party may not transfer its obligations under an agreement with PAGO to third parties without PAGO's prior written consent.

17. Child labour

- 17.1. The other party warrants that, in connection with child labour, the goods supplied do not violate Social Accountability 8000 (SA8000).

18. Applicable law

- 18.1. Disputes between the other party and PAGO, including those only considered as such by one of the parties, will be resolved inasmuch as possible by consultation.
- 18.2. If the consultation referred to in Article 18.1 does not result in a solution, disputes will be adjudicated by a competent judge in the district of 's Mantova.
- 18.3. All legal relationships between PAGO and the other party are solely governed by Italian law.
- 18.4. Customary stipulations do not apply unless explicitly agreed in writing.
- 18.5. The Vienna Sales Convention does not apply.
- 18.6. Provisions the nature of which is one of duration, such as those concerning confidentiality and intellectual property, will continue to remain in force also after the termination of the agreement.
- 18.7. The Italian wording of these conditions shall prevail over translations thereof.