

## 1. General terms

The relationship between **Redaelli Ricambi S.r.l.** and the Supplier is governed both by the purchase order and by these general supply conditions, the acceptance of which is a compulsory condition for validation of the order. The Redaelli Ricambi general supply conditions prevail over the supplier's sales conditions. Any particular provisions that are an exception must be agreed upon and signed by both parties. The objective of **Redaelli Ricambi S.r.l.** is to develop a network of suppliers capable of ensuring the quality, reliability, environmental friendliness and performance of the supplies (price / delivery / service).

## 2. Purchase orders

The purchase order is sent to the supplier in written form via E-mail or fax. The order is considered accepted up reception of the order confirmation. Should Redaelli Ricambi not receive regular order confirmation within 5 working days of the send date, the latter will be considered confirmed in all of its terms and conditions.

The supplier is bound to indicate order number and Redaelli Ricambi code on all shipping and invoicing documents.

The order can be cancelled at any time should the Supplier not observe the requirements or the established delivery terms.

Redaelli Ricambi reserves the right to make changes and expansions to the indicated clauses at any time that they deem it appropriate. In this case, the new index of revisions of the general supply conditions will be indicated on the purchase order. The supplier is bound to read the update on the website [www.redaelliricambi.it](http://www.redaelliricambi.it) and, in the event that there is no immediate objection, these changes are considered to be tacitly accepted.

## 3 Confidentiality

Any drawing, design, document or technical information and any other information transmitted or communicated, even orally, to the supplier before or after conclusion of the contract (hereinafter collectively called "*industrial information*") remain the exclusive property of Redaelli Ricambi s.r.l. and may be used by the supplier only within the limits necessary for correct performance of the contract. In particular, this industrial information may not be used by the supplier, copied or reproduced, transmitted, communicated or disclosed to third parties without the previous written consent of Redaelli Ricambi S.r.l.

The equipment and instruments delivered to the Supplier to carry out the order remain the property of Redaelli Ricambi and they must be returned should to should they be requested by the same and in any case at the end of the collaboration relationship.

The Supplier undertakes not to make parts for third parties carried out according to drawings that are the property of Redaelli Ricambi.

## 4 Prices and payment terms

The prices are considered fixed. Any variations must be communicated and approved in writing.

The payment terms are indicated on the purchase order.

Returns and delivery times, unless agreed upon in advance by the parties, must be those indicated on the Redaelli Ricambi purchase order. Any delivery delays will be the subject of supplier evaluation.

In the event of early delivery, the invoice payment terms starting period will be calculated from the delivery deadline set forth in the contract.

## 5 Supply specifications

The characteristics (dimensional, mechanical, etc.) of the goods being supplied are established by the technical drawings indicated on the purchase order.

The documentation that must accompany the goods each time upon delivery and/or in the event of samples, unless otherwise agreed upon, is indicated in the documents called:

- "Technical documentation request"
- "Sample request".

The composition of the materials, whether raw materials, semi-finished products or finished products, must comply with the applicable compulsory requirements, the specifications or the standards indicated by Redaelli Ricambi on the technical drawings.

The Supplier undertakes to provide solely products compliant with prevailing standards and specifically:

- free of substances identified as SVHC (Substances of Very High Concern) pursuant to the **EC 1907/2006 "REACH"** regulation as updated and amended.
- free of minerals in as per the "**Conflict Mineral**" regulation.
- in accordance with **European directive 2002/55/EC** which prohibits galvanic coatings which contain hexavalent chromium (Cr6).
- in accordance with **European directive 2000/53/EC** for the recycling of products destined for car manufacturers at the end of life.

## 6 Packaging

The supplied material must be packaged in such a way so as to prevent damage and in a way to facilitate handling.

In the case of specific packaging, this shall be defined in the technical documentation request.

## 7 Quality System

The supplier must be at least **ISO9001 certified**; In the event that they are not, Redaelli Ricambi will be able to carry out targeted inspection checks for the purpose of guaranteeing the conformity of the products supplied. These visits may be annual in the case of products destined for car manufacturer supplies.

## 8 Special characteristics

Redaelli Ricambi identifies the Special Characteristics in accordance with the following criteria:

Characteristic	Symbol	Description
Safety/ Regulatory	S / 	The deviation from the specific requirements can compromise the efficiency and/or the use of the product with respect to Safety and Legal Compliance requirements.
Critical	C	The deviation from the specific requirements can compromise the efficiency and/or the use of the product with respect to Safety and Legal Compliance requirements
Secondary	None	The deviation from the specific requirements can cause only minor problems.

For the special characteristics, the following check rules must be implemented:

- identification of the safety characteristics on all the process and product documents. (Flow chart, FMEA, Control Plan etc.)
- dissemination of the information and awareness to all personnel involved (technical, quality, production, etc.) on the significance of the characteristics and the impact in the case of non compliance, with particular attention to the aspects associated with Safety and Regulations.
- for the Special characteristics, unless at the specific request of the customer, the following capability requirements must be observed:

Characteristic	Symbol	Requirements (in accordance with SPC – AIAG manual, last edition)
Safety/ Regulatory	S / 	Pre-series Cpk/Ppk > 2 Series Cpk/Ppk > 1.67
Critical	C	Pre-series Cpk/Ppk > 1.67 Series Cpk/Ppk > 1.33
Secondary	None	No specific requirements

**9 Product safety**

For products with safety/regulatory characteristics (Report), the Supplier must identify a responsibility within the organisation with the task of ensuring:

- the specific re-examination of the PFMEA risk analysis, the control plans and the related Plans of Reaction to ensure adequate "protection" of the safety characteristics
- must provide a reaction plan that foresees notifying REDAELLI RICAMBI of non conformities on the safety characteristics with impact on the shipment.
- must provide management control of the changes, the document traceability and registrations associated with characteristics of safety and guarantee archival of the documents for at least 15 years
- Management of the escalation processes (including notifying Redaelli Ricambi) in the event of actual or potential impact on the safety product
- The supplier must provide insurance coverage that covers the liability on the product supplied and any claims in the event of non conformity. Redaelli Ricambi reserves the right to request evident from the supplier
- Correct dissemination of the requirements along the supply chain as far as applicable.

**10 Management of non conformities, customer returns and guarantees attributable to the responsibility of the supplier**

In the presence of a non conforming product intercepted during the production process, Redaelli Ricambi will inform the Supplier who will, in as little time as possible, implement corrective actions to eliminate the causes, communicating them to Redaelli Ricambi, who reserves the right to recover reimbursement from the supplier for any additional costs.

In the presence of a non conforming product intercepted by the end customer and attributable to the supplier, Redaelli Ricambi srl reserves the right to recover reimbursement from the supplier for any charges related to actions implemented by the end customer for management of the non conforming product (e.g. selections at the customer's site, line stoppages, direct customer discards, replacements managed by the customer)

In the event that the defect is discovered during use "in the field" and it falls within the warranty criteria agreed upon with the customer, Redaelli Ricambi implements the following management process against the supplier

- Technical analysis for decision and attribution of the responsibilities
- Assessment of the economic impact of the event that includes costs charged by the customer and costs sustained by Redaelli Ricambi srl (including costs related to replacement operations in the field and/or product recalls) and consequent charge to the supplier of the imputable costs.

**11 Management of waivers and concessions**

The Supplier must obtain Concession or Waiver from Redaelli Ricambi prior to proceeding further with production or shipment when the product or process is different than the one approved. The request must be sent using the "Waiver/Concession Request" document (available on the website) and must be limited to authorised time or quantity in observance of the methods of identification defined on a case by case basis by Redaelli Ricambi.

**12 Subcontracting to third parties**

The supplier is entirely and solely responsible for carrying out the order. The supplier may not subcontract execution of the order to third parties without the written consent of Redaelli Ricambi.

**13 Corporate Social responsibility**

Redaelli Ricambi deemed it necessary to draft and implement a Code of Ethics and Behaviour which contains the set of principles of fairness, loyalty, integrity, transparency, moral and professional commitment that mark the company's relations with the suppliers and all the interested parties and which, more generally, characterise the performance of corporate operations.

These principles are contained in the Code of Ethics document published on the website of which the company, while on the one hand hopes for spontaneous sharing, compliance and dissemination, on the other hand demands the application by any individual acting on behalf of the same.

**14 Business continuity plan**

The supplier must draft an emergency plan to ensure continuity of supply in the case that extraordinary events occur such as, for example, faults to key equipment, interruption of services, recurring natural disasters, fires, problems with the infrastructures or logistical interruptions. This plan must include actions to mitigate effects on the continuity of supply, including promptly informing Redaelli Ricambi. Upon request, the plan must be submitted to Redaelli Ricambi srl for approval.

**15 Jurisdiction and choice of applicable law**

The parties undertake to do whatever is possible to resolve any complaint amicably.

Controversies connected to the interpretation or execution of these general conditions shall be governed by Italian law and the Lecco court shall have jurisdiction.

**Redaelli Ricambi s.r.l. and the Supplier freely state that in any case they will apply Italian law.**