

ANNEX 3 - GENERAL TERMS AND CONDITIONS – rev. September 2023

Parte A – General technical requirements

Length of Roll Fabrics

The physical length of the individual roll must comply with what is requested in the order, any discrepancies greater than 3% (if not agreed at the time of placing the order), may be subject to a request for allowance.

Conditions for returning the individual rolls:

- Rolls of fabrics presenting holes inside, such as the sampling holes for weight control, shall not be accepted. The identification of such defects by Ratti shall result in a request for allowance for the entire length concerned (for example, if the hole is placed at 6 meters from the end of the fabric roll, the request for allowance shall be equal to 6 meters), in addition to the checking cost and damage caused;
- Fabrics with adhesive stickers or markings shall not be accepted: any defects must be reported on the quality maps or transport documents;
- Fabric must be delivered without seams inside and without unsewn cuts on the single roll;
- For orthogonal fabrics, a selvedge with a fringe selvedges not exceeding 3 mm is required (unless otherwise notified in advance to Ratti and accepted by the latter as limit of the article);
- For knitted fabrics, selvedge gluing is required where necessary to prevent the fabric from rolling onto itself during the processing stages;
- For yarn-dyed fabrics, delivery on separate rolls is required if the pattern and/or variant ordered is longer than 10 metres.

Technical parameters

When choosing the items, before issuing the order confirmation, the supplier must deliver to Ratti the technical data sheet of the fabric, so that Ratti can verify and, if necessary, change the contents.

The supplier is also required to specify any changes made to the technical data sheet since the last order placed by Ratti. The technical data sheet approved by Ratti shall be used to check whether or not the items ordered are compliant or defective.

The parameters required in the technical data sheet shall be the following and, where specified, may not exceed the specified tolerances:

- Total width and useful width (+/- 1 cm unless otherwise agreed);
- Weight gr./meter/l. (+/- 5%);
- Composition (+/- 3% for each fibre);
- Yarn counts and density per cm;
- Shrinkage (% to be defined on individual item);
- Maintenance symbols;
- Angular deviation and spirality;
- Mechanical characteristics (where required by the intended use);
- Colour fastness.

The parameters must be accompanied by the reference standard according to which they must be evaluated.

Tolerances on quantities supplied

Below is a list of the tolerances allowed in the supply of each individual order per article and variant/colour:

- Up to 500 meters: +/- 8%;
- From 501 to 1000 meters: +/- 5%;
- From 1001 to 5000 meters: +/- 2%;
- From 5001 meters onwards: +1% (with a minimum of 100 meters).

Packaging

The goods must be packed as follows (unless otherwise agreed in writing between the Parties):

- Rolls weight no more than 20kg each and protected by cellophane
- Goods on europallets

For all matters not specifically regulated therein, please refer to the provisions of the technical section of the “SMI (*Sistema Moda Italia (Italy's Fashion Federation) Standard Contract for the Sale of Raw Fabrics*)” which shall be applicable only if relevant to the type of articles/products ordered by Ratti.

Approved by the Supplier

Place and date:

Company Name:

Signed by (Name and Surname):

In his capacity as Legal Representative/Attorney-in-fact

Signature:

Company Stamp:

Part B – Technical Requirements of the Carnet Division

The technical requirements specified below apply only to Carnet Division purchase orders.

In the event of inconsistency or conflict with the general technical requirements above, these specific technical requirements of the Carnet Division shall prevail.

Tolerances on quantities supplied

The permissible tolerance in the delivery of each order per article and variant/colour is: 3%.

Single roll or single bolt length – Pieces

The physical length of a roll or bolt must be a maximum of 30 metres and may not exceed 20kg.

Packaging

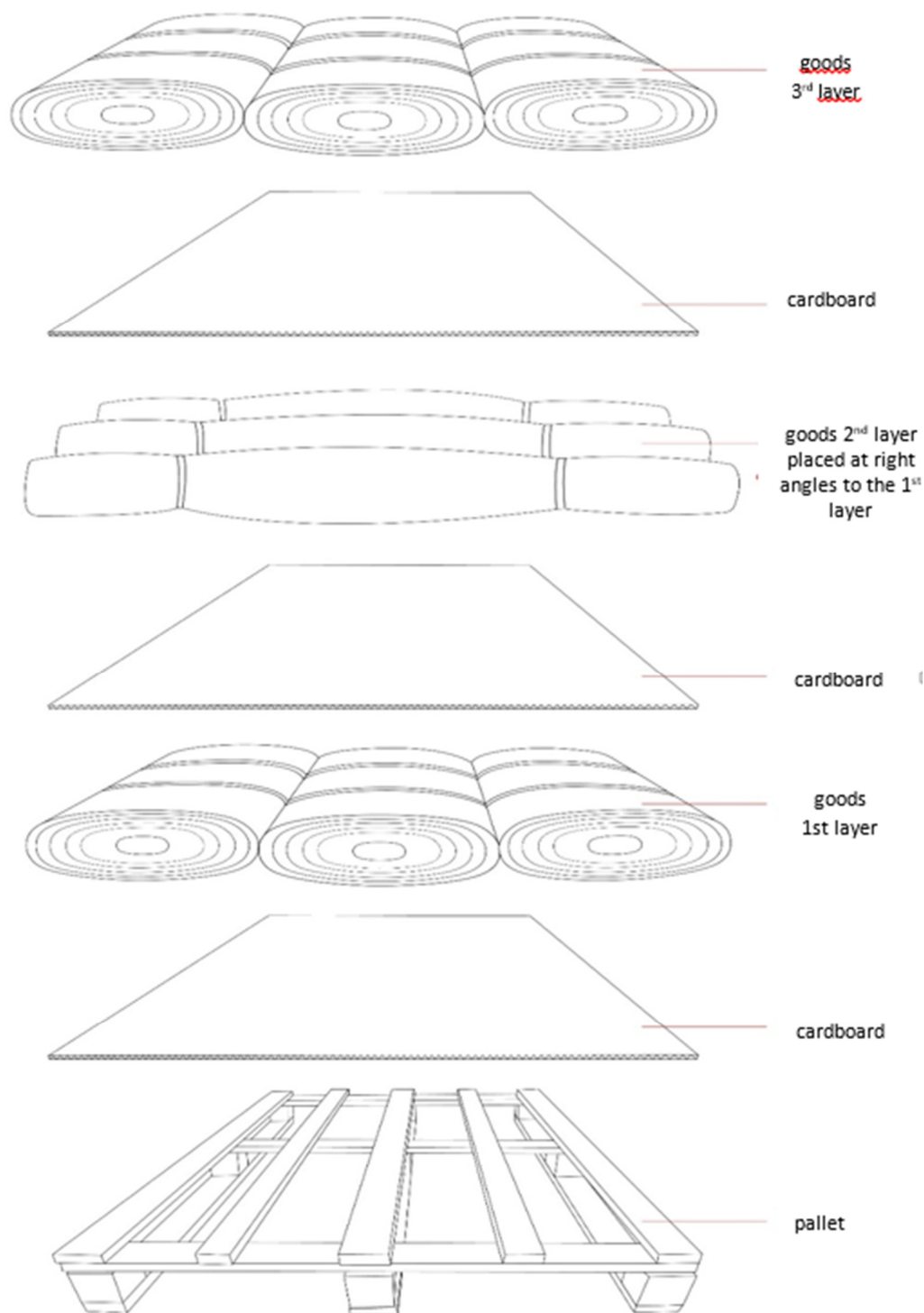
The goods shall be packed in the following manner (unless otherwise agreed upon in writing between the Parties).

Individual pieces

The individual piece must be rolled into a bolt with a maximum length of 30 metres and may not exceed 20 kg. Pieces should be neither cellophane wrapped nor boxed except for fabrics that require it due to their nature (e.g. velvet). Any other form of packaging (e.g. on a roll) for special fabrics (e.g. velvet, cottons, etc.) must be agreed at the time of ordering.

Order dispatch

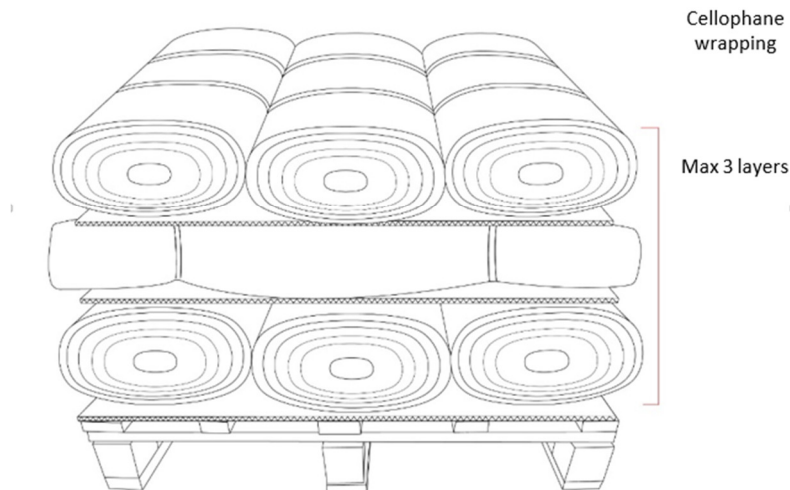
The collection of bolts should be shipped on Europallets. A maximum of 3 bolts (max. 5 in the case of rolls) must be placed in each layer. It is requested that bolts be packed in a maximum of 3 layers with a protective bed between each. Layers must be positioned at right angles to each other as illustrated below:



RATTI S.p.A. Società Benefit

Via Madonna, 30 - 22070 Guanzate (Como) Italy - tel. +39 031 35351 - ratti@ratti.it - www.ratti.it
 capitale sociale € 11.115.000 i.v. - registro imprese como - codice fiscale e partita iva 00808220131

Once the pallet has been loaded, it should be covered with a protective film as shown below:



Selvedge

If Carnet so requests on the order, the supplier will deliver the fabric with a specific selvedge, which must be continuous and contain the text and/or graphics specifically requested by Carnet. The cost of the selvedge is deemed to be included in the sales price agreed between the parties.

Data sheet

The required parameters as stated in the data sheet will be as follows and, where specified, may not exceed the tolerances stipulated:

- Total height and effective height (+/- 1 cm unless otherwise agreed);
- Weight gr/linear m (+/-5%);
- Weight gr/sq. m (+/-5%);
- Composition (+/- 3% per fibre);
- Thread count and density per cm;
- Dimensional stability (% to be defined for each item);
- Care symbols;
- Pattern repeat per cm;
- Angular deviation and spirality;
- Mechanical properties (where required by the intended use);
- Colour fastness;
- Made in Italy;
- Preferred origin;
- Product certifications, if any.

The parameters must reference the standard against which they are assessed.

Condition of individual rolls or bolts

- Pieces with holes or false creases on the inside, such as sampling holes for weight control, will not be accepted. The identification of such defects by Ratti S.p.A. SB Carnet division (hereinafter referred to as "Carnet") will result in a

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request for a rebate for the entire length involved (e.g. if the hole is 6 m from the end of the piece, the rebate requested will be for 6 m), in addition to the costs of the inspection and the damage caused;

- Fabrics with adhesive stickers or markers placed on the fabric itself will not be accepted: any defects must be indicated on maps, selvages or transport documents;
- The fabric must be delivered with no internal seams or unsewn cuts on the individual roll;
- For woven fabrics, a selvedge with a "fringe" of no more than 3 mm is required (unless otherwise notified in advance and accepted by Carnet as an item limit);
- For knitted fabrics, selvedge bonding is required where necessary to prevent the fabric from curling up during processing.

Staggered deliveries

For orders involving quantities of fabric in excess of 240 metres, Carnet has the right to request (on the Order itself) staggered deliveries, it being understood that during the storage period all risks of any nature (including, for example, deterioration, theft, damage) pertaining to the fabrics and related costs will remain the Supplier's responsibility; changes to the staggered delivery schedule agreed at the time of the Order can be requested by Carnet with 10 days' notice.

For anything not specifically regulated therein, reference is made to the provisions of the technical part of the "SMI Standard Contract for the Sale of Unbleached Fabrics", which shall only be applicable if relevant to the type of items/products ordered by Carnet.

Any failure to comply with the above shall entitle Carnet to reject the products, which shall be deemed as undelivered for the purposes of calculating any delay in delivery and related penalties (as set out in Article 5 of the GENERAL TERMS AND CONDITIONS OF PURCHASE/PROCESSING)

Signed in Approval by the Supplier

Legal Name:

Name and Surname:

As Legal Representative/Agent

Signature:

Company stamp:

Place and Date:

Pursuant to Articles 1341 and 1342 of the Italian Civil Code, the Supplier specifically approves the provisions of the final paragraph of this document concerning the penalties applicable in the event of any failure to comply with the specific technical requirements of the Carnet Division.

Signed in Approval by the Supplier

Legal Name:

Name and Surname:

As Legal Representative/Agent

Signature:

Company stamp:

Place and Date: