

**GENERAL TERMS AND CONDITIONS FOR THE PURCHASE OF MATERIAL/SUBCONTRACTING**  
Rev. September 2023

1. The General Purchase Conditions govern the purchase orders issued by Ratti for (i) the purchase of products, such as, for example, raw materials, semi-finished products, fabrics, samples, etc. and/or (ii) the entrusting of processing and/or finishing procedures; any exceptions or amendments shall apply only if approved in writing by Ratti. The Supplier's supply/sale conditions shall in no event apply to Ratti's orders. Ratti reserves the right to update these conditions from time to time, by publishing them on its website (<https://www.ratti.it/en/general-purchasing-terms/>) and by notifying the Supplier accordingly by email. With the order confirmation (to be sent within 5 days of receipt) - or once the execution of the order has begun - all the conditions contained therein and these general conditions shall be deemed as accepted by the Supplier, according to the latest version published on Ratti's website and/or sent to the Supplier. The Supplier acknowledges that the execution - or implicit acceptance - of these conditions shall not guarantee any minimum volume of orders by Ratti, nor can it be understood as a guarantee of continuity/exclusivity of the relationship with Ratti.
2. When choosing the samples/quality (before confirming the order) - and also afterwards whenever any changes are made - the Supplier must deliver to Ratti the technical data sheet of the article (or confirm the technical data sheet previously delivered), taking care to specify any technical changes made with respect to the last order placed by Ratti. The technical data sheet accepted by Ratti shall serve as a binding reference for any disputes. The Supplier shall accept that Ratti reserves the right to change the order due to production requirements.
3. Unless otherwise agreed in writing between the parties, prices shall be fixed, unchangeable and inclusive of (i) all expenses and of (ii) the fees for assigning to Ratti all exclusive intellectual property rights, rights of exploitation and copyrights on the products and/or patterns and/or qualities selected by Ratti, within the limits and in accordance with Annex 1 "Intellectual Property and Exclusivity Rights". The term of payment by bank transfer shall be agreed between the Parties. All invoices issued by the Supplier must contain a reference to Ratti's order number and shipping document number.
4. Unless otherwise agreed by written agreement, the delivery term is Delivery At Place Guanzate (DAP Incoterms 2010 and subsequent amendments), with costs / risks of transport, shipping and packaging to be paid by the Supplier up to delivery at Ratti's plant or at other destination agreed between the Parties. Furthermore, it is understood that in case of orders for subcontracting, the costs / risks of transport and shipping are at Supplier charge also for what concerns the pick-up of the products in Ratti's plant and / or in other location agreed between the Parties.
5. The delivery terms indicated in the order are binding and of essential interest of Ratti, therefore, any delay caused by the Supplier shall give Ratti the right to terminate the order pursuant to art. 1456 of the Italian Civil Code - without prejudice to the right to claim for damages - and obtain the supply of the goods from third parties. In any case, any delays shall be notified as soon as possible, in order to attempt production rescheduling and limit the delay itself. In addition, Ratti is entitled to apply a penalty of 2.5% of the value of the order for each week (or fraction of week) of delay - up to a maximum of 10% - without prejudice to compensation for the additional damage suffered.
6. The ordered goods must comply with the quality, quantity, intended use and technical requirements specified in the order, in the technical data sheet and in these conditions, including the binding compliance requirements in Annex 1 - "Intellectual Property and Exclusivity Rights", Annex 2A "Declaration of Conformity: Health and Safety", Annex 2B "REACH Declaration of Compliance and California Proposition 65", Annex 2C - "PRSL Ratti", Annex 3 - "Technical Requirements", Annex 4 "Long-term Supplier's declaration for subcontracting processes" and annex 5 "Commitments Of Confidentiality", annex 6 "Additional terms of business for Carnet Division", the updated versions of which shall be published from time to time on our website at the following address: <http://www.ratti.it/en/general-purchasing-terms/> and which shall be considered to be automatically binding on the Supplier when this latter became (or is capable to become) aware thereof. Furthermore, depending on the kind of products purchased, Ratti may request and obtain from the Supplier specific tests relating to their chemical/physical properties. The Supplier also warrants that the products comply with all current rules and regulations on product safety (for example, without limitation: the regulation on the classification, labelling and packaging of substances and mixtures, the REACH Regulation, the provisions of Legislative Decree no. 81/2008 also with regard to hazardous substances) and the rules applicable to products that are in force in the EU, in the country of manufacture and in any countries of destination specified, if any.
7. Ratti may report any cases of non-compliance and/or defects within 30 days as of discovery and choose one of the following remedies: (i) refuse or return the goods, with retention/return of the relevant price; (ii) request the replacement/reprocessing within the time-lines deemed appropriate by Ratti; (iii) directly/indirectly make the goods compliant by charging the Supplier with the relevant expenses and additional costs; (iv) accept the defective goods in view of a price reduction; in any case, Ratti's right to compensation for further damages shall remain unprejudiced. The warranty for defects may be claimed up to 1 year after delivery (or from any replacement/repair), without prejudice to the right of recourse and the relevant longer term provided for the warranty in favor of the consumer (pursuant to sec. 128 *et seq.* of the Italian Consumer Code). The Supplier is required to indemnify and hold Ratti harmless from and against any claim for compensation raised as a consequence of the defectiveness, non-compliance, unreliability or dangerousness of the products/services supplied by the Supplier, and from and against any related penalties inflicted by the National Antitrust Authorities and/or by the judicial authorities of the Countries of destination of the products.
8. Intellectual property, exclusive rights and relevant liabilities for designs, models, samples, trademarks, patents, know-how and other confidential information shall be governed by Annex 1 - "Intellectual Property and Exclusivity Rights".
9. Ratti is certified according to the SA8000 standard for corporate social responsibility, according to the ISO14001 standard for the Environmental Management System, according to the ISO45001 for health and safety at work, and it has adopted an organizational, management and control model pursuant to Legislative Decree no. 231/2001 and a code of ethics available on <https://www.ratti.it/en/investors/?cat-procedures-and-codes#page-3>. The Supplier must comply with the above principles of social/environmental responsibility, with the provisions of Legislative Decree no. 231/2001 as subsequently amended and supplemented, of Legislative Decree no. 81/2008 as subsequently amended and supplemented, as well as with the provisions of Legislative Decree no. 152/2006 as subsequently amended and supplemented (Consolidated Act on the Environment), to the provisions on the security of the supply chain (as per article 10 below) and Ratti's Code of Ethics and Code of Suppliers; the Supplier also undertakes to ensure that its suppliers and subcontractors comply as well with the principles mentioned above. In any case, the Supplier hereby undertakes to indemnify Ratti for any sanctions or claims for damages that may be inflicted upon or caused to the latter as a consequence of the breach of the aforementioned

commitments by the Supplier and/or any of its employees/consultants/suppliers/subcontractors. In addition, the Supplier must - every 120 days - deliver to Ratti a copy of its updated and valid DURC (*Documento Unico di Regolarità Contributiva* - Single Document certifying duly paid contributions).

10. The Supplier declares that (i) the goods produced, stored, shipped or transported by order of Ratti, delivered to Ratti or taken for delivery by Ratti are produced, stored, prepared and loaded in safe commercial areas and in loading areas and safe shipping and which are protected against unauthorized tampering during production, storage, preparation, loading and transportation; (ii) for the production, storage, preparation, loading and transportation of these goods only trusted personnel are used; (iii) its authorized suppliers and subcontractors act in compliance with the principles set out above, guaranteeing the security of the supply chain.
11. The Supplier - if relevant and applicable to the supplied goods - declares to comply with all current national and international regulations regarding the protection and respect of flora and fauna, specifically guaranteeing that for the realization of the products / services ordered by Ratti, the Supplier will not use materials that:
  - are among the specimen included in the Convention on International Trade in Threatened Species of Extinction (CITES or Washington Convention), in EU Regulation 338/97 (and subsequent amendments) and in the national legislation (L. 150/1992 and subsequent amendments). If the Ratti's orders are related to leather, the Supplier undertakes to guarantee that the same have not been treated with whale oils or parts of specimens, however, cited in the Washington Convention or the aforementioned European / national legislation.
  - are in the list of items of EC Reg. 1007/2009 and subsequent amendments. on trade in seal products;
  - consist of dog and cat furs and products containing them, as required by the relevant marketing and import prohibitions pursuant to EC Reg. 1523/07 and subsequent amendments;
  - violate EEC Reg. No. 3254/91 and subsequent amendments prohibiting the use of leghold traps in the Community and the introduction into the Community of products derived from certain species of wild animals originating in countries using leghold traps or methods which do not comply with internationally agreed standards for trapping by means of traps without cruelty.
12. The Supplier undertakes to offer products and related packaging that are energetically performing and sustainable and to indicate the specific certifications or environmental labels inherent to them.
13. The Supplier undertakes not to use any of Ratti's an/its clients' name, logo, designs or trademarks and to keep the information contained in the order or otherwise related to Ratti and/or to its clients strictly confidential and not to reproduce or disclose it to third parties, according to the provisions of the annex 5 "Commitments of Confidentiality".
14. The Supplier declares to comply, where applicable, with the privacy protection provisions set out in Regulation (EU) 2016/679 as subsequently amended and supplemented, and the Supplier also declares that all personal data processing it will carry out shall be in line with principles of fairness, lawfulness and transparency, as well as with principles involving the protection of confidentiality and of the rights of all the parties concerned. In any case, the Supplier acknowledges that in executing each order, personal and contact data (personal data, company e-mails, company telephones, smartphones used for working purposes, etc.) of directors, employees and/or consultants who, in view of their duties and tasks, manage and/or execute the relevant order, may be communicated to each other, or otherwise made available to the respective contact persons. Therefore, both parties shall process such personal data to the extent that they are strictly necessary for the fulfilment of all aspects of the order and of the relationship between the parties. The data shall be stored until the completion of the reciprocal services covered by the individual order and even later by reason of the limitation periods provided for the company's deeds and documents. Any of Ratti's or the Supplier's individual employees or consultants may exercise all the rights listed in Articles 15 to 21 of Regulation (EU) 2016/679, subject, however, to the limits deriving from the legitimate interest of the employer.
15. Ratti reserves the right to carry out inspections and/or audits at the Supplier's premises at any time in order to verify (i) the correct execution of the order and the compliance with these conditions, including all the commitments set out in the annexes; (ii) the ongoing compliance with the requirements of confidentiality, quality, and safety of the supply chain (as per the previous article 10) (iii) the compliance with the principles of Social Responsibility (SA8000), Environmental Sustainability (ISO14001), Health and Safety (ISO45001), of Legislative Decree no. 231/2001, of Legislative Decree no. 152/2006 and Ratti's Code of Ethics and Code of Suppliers. The Supplier also acknowledges that the right to carry out audits of any kind is also reserved to Ratti's customers who - from time to time - will need them because of the relationships they have with Ratti. Furthermore, the Supplier undertakes to evaluate and implement any corrective or improvement actions resulting from the verification activity.
16. The Supplier shall not assign to third parties, even partially, the purchase order or the amount receivable deriving therefrom; moreover, the Supplier is also prevented from subcontracting to third parties - in whole or in part - the order, unless Ratti has given its prior written authorization to do so; therefore the Supplier must notify Ratti in advance any proposed sub-contractors, so that Ratti can evaluate whether or not to give such authorization. In any case, it is understood that the Supplier will be directly responsible towards Ratti for the correct fulfillment by any authorized sub-contractors of everything deduced in this document and linked annexes.
17. The Supplier undertakes to deliver to Ratti all the documentation necessary to certify the traceability of its raw material supply chain, highlighting the raw materials used in its production up to their primary origin; the Supplier guarantees that all the documents provided for this purpose are valid and correct. The Supplier also undertakes to immediately notify Ratti of any changes in the supply chain that may have an impact on the traceability of the products ordered and the related raw materials. In this case, the Supplier will immediately send the updated documentation to Ratti.

The Supplier also undertakes to send Ratti: (i) declarations of preferential and non-preferential origin of the goods (if requested by Ratti); (ii) the form as per annex 4 duly completed, concerning the nation of transformation of the goods for what concerns the work on subcontracting of third parties; (iii) any further documents useful / necessary to Ratti for the correct management of orders and relations with its Customers.
18. For the purposes of and in accordance with art. 1456 of the Italian Civil Code, Ratti may terminate any order in progress and the business relationship with the Supplier, if the Supplier is in default with respect to one of the following clauses: art. 2 (obligation to deliver / confirm technical sheet); art. 5 (delivery terms); art. 6 (supply of products / services that do not comply with the provisions); art. 7 (indemnification obligation); art. 8 (Annex 1); art. 9 (compliance obligations); art. 10 (violation of provisions on the security of the supply chain); art. 11 (provisions on the protection and respect of flora and fauna); art. 13 (prohibition of use and obligation of confidentiality); art. 14 (privacy); art. 15 (audits and corrective measures); art. 16 (prohibition of assignment and subcontracting); art. 17 (traceability). Moreover, Ratti reserves the right to terminate the order should a third-party competitor acquire a majority shareholding or otherwise the control of the



Supplier, or in the case the Supplier ceases business, is seriously insolvent or subject to receivership, extraordinary administration, arrangement with creditors, bankruptcy or any other insolvency procedures.

19. Upon the end of validity of these conditions and/or of the business relationship between Ratti and the Supplier for any reason whatsoever, the following provisions shall remain binding: (i) art. 7 - warranty of compliance/lack of defects of the goods and relevant indemnification, throughout the legal term of validity of the same; (ii) art.13 - obligation of confidentiality, for at least 5 years following the end of the relationship with the Supplier.
20. These general conditions shall be valid and effective for an indefinite term, from the date of execution and/or implicit acceptance of the Supplier, save for any updates notified/published by Ratti. Either party may exercise the right of withdrawal subject to a minimum six-months' notice by registered letter with return receipt or by registered mail. In any case, any withdrawal by the Supplier could result in the immediate interruption of further business relationships with Ratti.
21. These conditions, the purchase order and in general the business relationship between Ratti and the Supplier shall be governed by Italian law, with the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (Vienna Convention).
22. In case of disputes, the Court of Como shall have sole and exclusive jurisdiction, as an exception to the jurisdiction of any other court that may apply according to the rules and regulations in force.

Annexes (integral and binding part): Annex 1 - "Intellectual Property and Exclusivity Rights"; Annex 2A - "Declaration Of Conformity: Health And Safety"; Annex 2B - "REACH Declaration of Compliance and California Proposition 65"; Annex 2C - "PRSL Ratti"; Annex 3 - "Technical Requirements"; Annex 4 "Long-term Supplier's declaration for subcontracting processes"; annex 5 "Commitments of Confidentiality"; Annex 6 "Additional terms of business for Carnet Division".

Approved by the Supplier

Company Name and fiscal id. number:

Signed by (Name and Surname):

In his/her capacity as:

Signature:

Company Stamp:

Place and date:

Pursuant to and for the purposes of art. 1341 and 1342 of the Italian Civil Code, the Supplier expressly approves the clauses referred to in the following articles: 1. Effectiveness of the General Clauses; 2. Right to change the order. 3. All-inclusive price; 5. delivery terms of essential interest and penalties for delays; 6. Requirements for the compliance of the goods; 7. Indemnification; 9. Indemnification; 15. inspection/audit; 16. Prohibition of assignment and subcontracting; 17. Traceability; 18. Express termination clause; 19. extension of effectivity; 22. Exclusive jurisdiction.

Approved by the Supplier

Company Name and fiscal id. number:

Signed by (Name and Surname):

In his/her capacity as:

Signature:

Company Stamp:

Place and date: