



GENERAL TERMS AND CONDITION OF SUPPLY

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GENERAL TERMS AND CONDITION OF SUPPLY

1. Agreement

- 1.1 The supply of products manufactured by hot forging of steel and other metallic materials ("**Products**") or the performance of services of upsetting, electrical upsetting, hot forging and/or further services ("**Works**") by BALDANFORGE S.r.l. ("**BALDANFORGE**") shall be governed by these general terms and conditions, which are an integral and essential part of the supply agreement ("**Agreement**") that will be executed between BALDANFORGE and the Client.
- 1.2 Each Agreement comes into force upon the Client's receipt of BALDANFORGE's order confirmation or upon acceptance by BALDANFORGE of the Client's order on the portal of the latter or, should the order confirmation contain terms partially different from those of the order, the Agreement shall come into force 5 days after the Client's receipt of the order confirmation, in the absence of any Client's written rejection of the terms therein contained and/or of one or more clauses of these general terms and conditions.
- 1.3 In no event shall any general conditions of any nature inserted and/or specified in the Client's orders and/or in other documents sent to BALDANFORGE by the Client, and/or of which BALDANFORGE has been made aware in any manner whatsoever, apply to this Agreement and/or to any other supply of Products or of Works. Specific terms and/or conditions of supply shall apply to the Agreement only if reported in BALDANFORGE's order confirmation. Further amendments and/or integration shall be binding only if accepted in writing by BALDANFORGE.
- 1.4 BALDANFORGE will have the right to vary the Products or the Works with respect to the contents of the relevant offer and/or order confirmation, to the extent that such variations (i) are required and/or appropriate for production and/or technical reasons, (ii) are mandatory according to the applicable law and (iii) do not reduce and/or alter the performance and/or quality of the Products / Works already agreed upon with the Client.

2. Orders

- 2.1 The purchase orders shall be made in writing, completed with all the data, measures, technical specifications and/or drawings necessary for the manufacturing of the Products or of the Works and of any applicable technical provisions.
- 2.2 Any delay of the Client in forwarding data, measures, technical specifications and/or drawings of the Products or of the Works subject matter of any Agreement may cause – in addition to a possible adjustment of the price - a proportional postponement of the delivery terms, to be newly determined by BALDANFORGE pursuant to its production capacity.
- 2.3 Should the Client forward a forecast of Products or of Works and then fail to issue the relevant order, the Client shall bear the cost of the raw materials already purchased by BALDANFORGE in order to comply with the delivery dates indicated in the forecasts.

3. Production, Molds, Samples, Inspections, Tolerance and Testing

- 3.1 Unless otherwise agreed in writing, BALDANFORGE shall always be entitled to manufacture the Products and the Works requested in a single order with more castings, without prejudice to the guarantee of traceability of the castings and of the lots of materials used.
- 3.2 Unless otherwise agreed in writing, BALDANFORGE shall remain the owner of the molds and of the equipment used for the supply.

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Should the Client provide BALDANFORGE with the molds required for specific productions or Works in gratuitous loan for use, BALDANFORGE shall carry out the ordinary maintenance of the molds, bearing the relevant expenses, while the Client shall take care of the extraordinary maintenance of the same, bearing the relevant expenses. BALDANFORGE shall have a right of retention on the molds until all the invoices issued by the latter are fully paid and until all the Products ordered by the Client are collected.

3.3 The detection of the weight and of the total number of Products delivered is carried out at BALDANFORGE's premises before the beginning of the operations of loading on the carrier's means of transportation. Unless otherwise specified in the order confirmation, a tolerance of 3% (in excess or defect) shall apply on the quantity of the Products delivered. Within the range of the tolerance set forth the Client shall not be entitled to reject or challenge the delivery, to claim damages, reduction of prices nor to apply penalties.

Should the Products ready for shipment be in a quantity higher or lower than the set forth tolerance, BALDANFORGE shall inform in writing the Client in order to agree the terms and conditions to consider the delivery completed, without prejudice to the tolerances above indicated.

3.4 Upon written request of the Client, BALDANFORGE shall manufacture samples of Products and send the relevant report to the Client in order to get its written approval; the manufacture of the Products shall begin only upon receipt by BALDANFORGE of the Client's written approval of the report on samples.

3.5 During the manufacturing and works on the Products, the Client may request – with at least a 7 (seven) days prior written notice – to be allowed to inspect at its cost the manufacturing process at BALDANFORGE's premises and/or at the premises of BALDANFORGE's sub-suppliers involved in the manufacturing process, if any; the inspections shall be carried out upon agreement of the parties during the working days and working hours and without hindering the production.

3.6 If requested, the testing of the Products and/or of the Works shall be carried out at BALDANFORGE's premises in accordance with the terms specified in Client's order as approved in writing by BALDANFORGE. The Client shall be entitled to attend the testing upon prior communication sent to BALDANFORGE duly in advance with respect to the scheduled date of testing set forth in function of the date of delivery.

In the absence of a specific agreement on the testing, BALDANFORGE shall not carry out any test and any claim raised by the Client as a consequence of assessment or tests autonomously carried out will not be kept into consideration.

3.7 BALDANFORGE shall not carry out any assessment on the quality of any raw material supplied by the Client. In such a case, BALDANFORGE will be responsible only for the Works carried out, while the Client shall be responsible for the quality of the raw material.

4. Place and terms of delivery – subject matter of the delivery

4.1 Unless otherwise specified in BALDANFORGE's order confirmation, the Products and/or the Works will be delivered Ex Works (EXW Incoterms® 2020) at BALDANFORGE's premises at Via Dei Roveri 6, 36011 Arsiero (VI), Italy or in any other place indicated by BALDANFORGE in the "*notice of goods ready to be dispatched*". BALDANFORGE will not be responsible for any damage, loss or theft, which may occur to the Products after delivery according to this section 4.1.

4.2 The terms of delivery of the Products and/or of the Works indicated in BALDANFORGE's order confirmation shall not be deemed as essence.

Any request of the Client not to deliver in the last days of the month shall not be binding unless expressly recalled in BALDANFORGE's order confirmation.

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- 4.3 Any delay of the Client in providing information, drawings or technical specification additional to those initially specified in the Agreement may cause an adjustment of the price and a proportional postponement of the delivery dates, to be renegotiated from time to time in good faith, by keeping into account BALDANFORGE's capacity and production slots availability as well as the volume of other orders already scheduled for production. Unless otherwise agreed in writing, should the Client request technical modifications of the Products and/or of the Works after BALDANFORGE's order confirmation has been sent, without prejudice to BALDANFORGE's right to modify the prices based on such modifications, the relevant term of delivery shall be deemed as automatically postponed for the time reasonably necessary to implement the requested technical modifications.
- 4.4 The timing of delivery may be subject to the availability of the raw materials provided by the steel mills and/or by the heat treatment provided by external suppliers, if any. In any case, BALDANFORGE will promptly notify the Client any delay with respect to the agreed delivery time, indicating the new foreseen delivery date and it being understood that BALDANFORGE shall not be liable for any delay in the deliveries caused by the steel mills. Likewise, BALDANFORGE shall not be liable for possible postponement of the delivery dates, in function of its capacity available slots of production, due to delays in the delivery by external suppliers entrusted for specific works by the Client.
- 4.5 Without prejudice to clause 4.3, 4.4. and 5, in the event of delays in the delivery of the Products and/or of the Works, the following provisions shall apply:
- (i) in the event of delays caused by unforeseeable circumstances or force majeure, the Client shall not be entitled to claim for damages nor the termination of the Agreement and/or the reduction of the price;
 - (ii) in the event of delays of less than 14 (fourteen) days with respect to the scheduled date of delivery, the Client shall not be entitled to apply any penalty – in any case to be agreed in writing and only for major delays – nor claim for damages, the termination of the Agreement and/or the reduction of the price;
 - (iii) in the event of delays exceeding 14 (fourteen) days with respect to the scheduled date of delivery, the Client shall be entitled, as penalty and subject to a specific written agreement in the order confirmation, only to an amount equal to 0,25% of the price of the goods in delay for each full week of delay, up to a maximum amount equal to the 5% of such price; it being understood that any further remedy, including reduction of price, is excluded;
 - (iv) in the event of delays exceeding 6 (six) months with respect to the scheduled delivery date, the Client shall be entitled to withdraw from and/or terminate the Agreement by means of written notice thereof to be sent to BALDANFORGE within 5 (five) days as of receipt of the notice of the new date of delivery.
- 4.6 Unless otherwise agreed in writing, when the Products are available, BALDANFORGE will send to the Client a *"notice of goods ready to be dispatched"*, by indicating the date for the relevant collection. In the event of delays in collecting the Products and/or the materials subject matter of the Works exceeding 30 (thirty) days with respect to the agreed delivery date, BALDANFORGE shall at its discretion be entitled to (i) terminate the Agreement and, when possible, sell the Products to third parties, (ii) charge to the Client the costs of warehousing to be calculated on the basis of a fee to be agreed from time to time or (iii) ship the Products to the Client, at the latter's expenses.
In any case, the risk of damage, loss or theft of the Products and/or of the materials subject matter of the Works shall be borne by the Client as of the date of delivery initially agreed.
- 4.7 BALDANFORGE shall deliver the Products and/or the Works with the identification tag on the box together with:
- (i) certificate of raw material EN10204;

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(ii) production waste, properly identified as “waste”, only in case the raw material has been purchased by the Client.

5. Packing

Unless otherwise agreed in writing, the Products shall be packed according to the BALDANFORGE’s standards known by the Client and delivered within the metallic boxes provided by the Client. Should the Client fail to provide suitable boxes, BALDANFORGE shall be entitled to use its own boxes, when available, upon prior reimburse of the relevant costs by the Client and under the Client’s undertaking to return the same fully intact at the latest within a month as of the delivery, otherwise the full cost of the box shall be charged to the Client. In the event BALDANFORGE doesn’t have the boxes, in no case shall the same be deemed responsible/liable for any delay with respect to the agreed delivery date.

6. Prices and Payments

6.1 The price of the Products and of the Works is indicated in BALDANFORGE’s order confirmation and, unless otherwise specified in writing, it does not include the packing and the boxes. Should the technical specifications be forwarded to BALDANFORGE with the order of the Client, the price might differ from any prior quotations and/or offers.

Any variation or modification of the Products or of the Works, agreed by the Parties after the transmission of BALDANFORGE’s order confirmation, shall imply an adjustment of the relevant price by keeping into account any increase of the production costs and/or of the raw materials, or of any urgent requests, in compliance with what from time to time it shall be agreed by the parties.

6.2 The Client shall pay the price of the Products and/or of the Works pursuant to the methods and the terms indicated in BALDANFORGE’s order confirmation, or otherwise agreed in writing by the parties.

Any late collection or non-collection of the Products by the Client shall not cause an extension and/or postponement of the terms of payment.

In case of late payments, the Client shall pay the interests on the unpaid amount at the rate provided by the applicable law below specified; in such cases, all outstanding amounts become immediately due and the terms of payment previously agreed shall be deemed overcome and not applicable.

6.3 BALDANFORGE shall be entitled to suspend the delivery of the Products and/or of the Works: (a) should the Client’s assets and/or financial standings endanger the relevant payment; (b) should the Client fail to timely pay Products previously supplied by BALDANFORGE, also on the basis of other contractual relationships, until full payment of the outstanding credit and/or until receipt of proper guarantees for any delivery in progress, without prejudice to BALDANFORGE’s right to claim for any damages suffered as a consequence thereof.

6.4 In no event shall any defect of the Products and/or of the Works, even when expressly acknowledged as such by BALDANFORGE, and/or any delay of delivery as to the agreed terms or as to the timing for taking care a non-compliance, give the Client the right to suspend the relevant payments and/or any other payment for whatever reason due to BALDANFORGE also under other contractual relationships.

6.5 In no case shall the Client be entitled to set off any amount due to BALDANFORGE as price of the Products or of the Works against any amount due by BALDANFORGE at any title whatsoever.

7. Retention of title

BALDANFORGE shall be the sole owner of the Products until the date of their full payment.

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Any procedure set forth by the applicable law to make the retention of title legally enforceable and binding on third parties shall be carried out by the Client, without prejudice to BALDANFORGE's right to intervene – charging the relevant costs to the Client - in the event the Client does not take action.

Should the Agreement be terminated due to the Client's breach of contract, the installments already paid by the Client shall be kept by BALDANFORGE as an indemnity, within the limits set forth by the law, without prejudice to BALDANFORGE's right to claim for further damages.

8. Warranty

8.1 Unless otherwise specified in the order confirmation, BALDANFORGE guarantees that the Products and the Works comply with the technical specifications and will be free from defect in Works, in workmanship and in materials used for the manufacturing of the Products – except in case such materials are provided by the Client - for 12 (twelve) months starting from the delivery of the Products /materials subject matter of the Works (“**Warranty Period**”).

On Client's request, BALDANFORGE shall be entitled on a case-by-case basis to discretionally grant a paid extension of the duration of the Warranty Period; if granted, such extension will be indicated in the order confirmation or in other written agreement of the parties.

BALDANFORGE will keep the certificates of the materials used and documentation on the quality of the Products and of the Works for a period of 10 (ten) years.

8.2 Should the Client find a defect of the Products or of the materials subject matter of the Works it shall immediately suspend the working of the same and, subject to loss of the warranty, shall give notice to BALDANFORGE by e-mail within and not later than 8 (eight) days from the relevant discovery or from the date of delivery of the Products or of the materials subject matter of the Works in case of visible defects (it is agreed that visible defects include, among others, those related to the quantity and type of the delivered Products / materials subject matter of the Works and any transport damage clearly apparent on the outer packing), providing BALDANFORGE with samples and analysis made on the Products /materials subject matter of the Works.

In case the non-compliance is accepted and acknowledged by BALDANFORGE, the latter shall at its choice (i) select at the Client's premises the defective or non-compliant Products /materials subject matter of the Works, or (ii) appoint a third party or the Client itself to carry out such selection, at BALDANFORGE's cost. The defective or non-compliant Products /materials subject matter of the Works shall in no case be autonomously scrapped by the Client and shall instead be returned to BALDANFORGE, upon prior written authorization of the latter.

Should the Client raise its claim within the Warranty Period, and should such claim be accepted and acknowledged by BALDANFORGE, the latter shall at its own discretion, re-work the defective Products /materials subject matter of the Works or replace them, with delivery Ex Works (EXW - Incoterms® 2020) BALDANFORGE premises in Arsiero (VI), Italy, it being understood that the warranty of the replaced or re-worked Products /materials subject matter of the re-Works shall last for the remaining Warranty Period set forth for the Products /materials subject matter of the Works originally delivered. In case the re-work or replace of the defective Products/materials subject matter of the Works is not possible, the parties shall agree in good faith an alternative solution (e.g. reduction of the price, discount on a subsequent supply, etc.), by keeping into account the actual value of the Products /materials subject matter of the Works acknowledged as defective, and not of the entire order.

It is understood that the warranty obligations herewith undertaken shall be effective and binding only provided that BALDANFORGE has the opportunity to verify the defects raised by the Client, provided that the Products /materials subject matter of the Works have not been meanwhile reworked by the Client and provided that the Products /materials subject matter of the Works returned by the Client to BALDANFORGE travel duly covered in order not to cause or increase the claimed damage.

BALDANFORGE's warranty obligation shall be deemed as entirely fulfilled with the removal of the defect or replacement of the defective Product /materials subject matter of the Works or fulfillment of what set forth in

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the agreement with the Client, if any, without any further obligations and in particular with the express exclusion of any penalty or damages for production delays that may have occurred as a consequence of the non-compliance of the Products /materials subject matter of the Works.

Unless otherwise specified in writing by the parties, all the reasonable expenses for selection of the defective Products /materials subject matter of the Works and for transportation from the Client's premises to BALDANFORGE's premises shall be born and be at the risk of BALDANFORGE. The burden of proof of such actual costs shall be borne by the Client, since no penalty or liquidation of damages shall apply.

- 8.3 Upon receipt of a claim of non-compliance by the Client, BALDANFORGE shall give a first feedback to the Client within 7 (seven) working days and, should the defect or the non-compliance be acknowledged, it shall take action – personally or by giving the Client instructions on how to operate – within a time deemed reasonable by keeping into account the specific issue, recognizing to the Client a maximum lump sum of 50,00 (fifty) Euro for the management of the non-compliance, it being excluded any further request of damages arising therefrom. Except in case of proven urgency, the Client shall not be entitled to act autonomously and charge the relevant expenses to BALDANFORGE in case BALDANFORGE has duly carried out its obligations.
- 8.4 The warranty is expressly excluded for defects of the Products or of the materials subject matter of the Works arising from or consisting in:
- (i) alteration and/or modification of the Products /materials subject matter of the Works not authorized in writing by BALDANFORGE;
 - (ii) improper use of the Products /materials subject matter of the Works, including in particular the non-compliance with the rules and indications contained in the documents delivered by BALDANFORGE together with the Products /materials subject matter of the Works, if any;
 - (iii) defect and/or mistake in the Client's designing or in the technical specifications provided by the Client or by third parties entrusted by the Client;
 - (iv) defects, even only apparent, due to works carried out after the BALDANFORGE's manufacture of the Products or of the Works;
 - (v) transport, stock and/or deposit of the Products/materials subject matter of the Works not in compliance with BALDANFORGE's instructions and, in particular, not adequate cover of the Products /materials subject matter of the Works during transport or deposit;
 - (vi) normal wear and tear of the materials;
 - (vii) any other cause not due to BALDANFORGE's negligence.
- Should the Client fail to regularly pay the agreed price, even if such default or such delay concerns a single part of the aggregate price of the Products or of the Works, the warranty shall not apply.
- 8.5 BALDANFORGE manufactures the Products and/or the Works on the basis of the drawings and technical specifications provided by the Client, it being expressly excluded any BALDANFORGE's liability for design or consultancy and it being expressly clarified that BALDANFORGE shall not be responsible for the content of such technical specifications and designs nor for the impact on the design and manufacture of the final Product /materials subject matter of the Works. Furthermore, BALDANFORGE shall not be responsible for any lack of performance of the Products and/or of the Works with respect to specific uses and final destinations unless such performances were expressly specified in the designs and technical specifications indicated in the Agreement and unless BALDANFORGE has expressly accepted in writing such liability. BALDANFORGE shall not be responsible for the quality of the raw material should the same be provided by the Client.
- 8.6 Without prejudice to the compulsory product's liability law, to the warranty obligation set forth by this section 8 and to any liability for willful misconduct and/or gross negligence, BALDANFORGE shall not be liable for direct, indirect, incidental or consequential damages caused to the Client and/or to third parties as a consequence of the defects of the Products and/or of the materials subject matter of the Works.

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The Client shall not be entitled to terminate the Agreement for defects of the Products /materials subject matter of the Works covered by this warranty should BALDANFORGE duly comply with its warranty obligations.

8.7 In no case shall the aggregate BALDANFORGE's liability for damages of the Products or of the materials subject matter of the Works, pursuant to an Agreement, exceed the aggregate price of such Products or such Works.

9. Industrial and intellectual property rights - Secrecy

9.1 BALDANFORGE is and shall remain the owner of the samples, the manufacturing techniques and the data of the Products and of the Works, as well as of its trademarks and logos.

9.2 The Client shall not remove, modify or tamper the punching, the logos, the information or the numbers inserted and/or printed on the Products.

9.3 The Client shall keep confidential any information of confidential nature concerning the Products, the Works, BALDANFORGE and its commercial and productive organization.

10. Force Majeure

BALDANFORGE shall be under no liability on account of any loss, damage or delay caused by strikes, union agitation, lock outs, accidents, fire, short supply or absence of raw materials, delay of carriers and/or of suppliers in the delivery, compliance with any law, regulation or other governmental order, whether or not valid, insurrection, earthquakes or other disasters of the elements, wars, embargoes, epidemics, pandemics or any other cause beyond its reasonable control.

BALDANFORGE shall promptly notify the Client of any force majeure event, by giving details of the same, an estimate of the consequences deriving therefrom as well as its foreseeable duration.

Should the duration of the force majeure event last more than 8 (eight) consecutive months, the Client shall be entitled to withdraw from the Agreement by giving BALDANFORGE written notice thereof.

11. Exclusive Court

All disputes arising out of or relating to an Agreement governed by this general terms and conditions shall be exclusively submitted to and settled by the Tribunal of Vicenza, Italy.

However, BALDANFORGE shall be entitled at its discretion to institute proceedings against the Client before the competent Court of the place where the Client has its registered office.

12. Applicable Law

These general terms and conditions of supply and the relevant Agreement shall be governed by the Italian Law. Should the Client be a foreign entity and/or an entity having its registered office or its main place of business abroad, the Agreements related to the supply of the Products shall in any case be governed by and construed in accordance with the U. N. Convention on the International Sale of Goods (Wien, April 11, 1980).

13. Waiver

Failure by BALDANFORGE to enforce at any time the provisions of these general terms and conditions shall not be construed as a waiver of such provision or of the right to thereafter enforce each and every provision herein.



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The Client

The Client hereby states and declares pursuant to sections 1341 and 1342 of the Italian Civil Code to have carefully read and to expressly approve each of the following clauses:

- Art. 1.2 Tacit acceptance of different terms and of these general terms and conditions of supply;
- Art. 3.2 Right of retention on molds;
- Art. 3.3 Tolerances and exclusion of damages, reduction of price, penalties;
- Art. 3.6 Prohibition to raise claims in absence of an agreement on testing;
- Art. 3.7 Exclusion of liability on quality of raw materials provided by the Client;
- Art. 4.1 Exclusion of liability for damage, loss and theft after delivery;
- Art. 4.3 Automatic postponement of the terms of delivery in case of requests of modifications;
- Art. 4.5 Limitation of liability in case of delays in delivery;
- Art. 4.6 Delays in collection and BALDANFORGE's rights; transfer of risk;
- Art. 5 Exclusion of liability for delays due to lack of boxes;
- Art. 6.2 Interests for late payments and loss of any favorable terms of payment;
- Art. 6.3 Right to suspend deliveries and claim damages;
- Art. 6.4 Prohibition to suspend payments;
- Art. 6.5 Prohibition to set-off;
- Art. 7 Retention of title;
- Art. 8.2 Forfeiture and limitation of liability;
- Art. 8.4 Exclusion of warranty;
- Art. 8.5 Exclusion of liability;
- Art. 8.6 Exclusion of liability;
- Art. 8.7 Limitation of liability;
- Art. 9.3 Secrecy;
- Art. 10 Force Majeure;
- Art. 11 Exclusive Court and BALDANFORGE's right to institute proceedings in the place of the Client's registered office;
- Art. 12 Applicable Law.

The Client
