

TARO PLAST GROUP

GENERAL TERMS AND CONDITIONS OF PURCHASE

Applicable to the following Group companies:

- Taro Plast S.p.A.
- TAROPOL S.r.l.

(hereinafter collectively referred to as the "**Buyer**")

1. SCOPE OF THE GENERAL TERMS AND CONDITIONS OF PURCHASE

These General Terms and Conditions of Purchase ("**Terms**") shall govern all agreements for the purchase of goods, products and/or services (collectively, the "**Products**") entered into by the Buyer.

The Supplier's general terms and conditions of sale shall not apply to any Purchase Order or agreement with the Buyer unless expressly accepted by the Buyer in writing.

2. FORMATION OF INDIVIDUAL PURCHASE CONTRACTS

The Buyer shall issue written Purchase Orders specifying, where applicable also by means of attached documents, the Products required, their technical and functional specifications, quality standards, origin and provenance, quantities, prices, payment terms and delivery terms.

A purchase contract shall be deemed concluded upon the Buyer's receipt of the Supplier's written acceptance of the relevant Purchase Order.

Any Purchase Order issued by the Buyer shall nevertheless become binding upon the Supplier unless expressly rejected in writing within ten (10) calendar days from its receipt. Where applicable, any agreed credit limits shall be taken into account by the Supplier when confirming the Purchase Order. Under no circumstances shall the Supplier be entitled to cancel, suspend or delay deliveries under confirmed Purchase Orders due to the exhaustion of such credit limits.

3. PURCHASE ORDERS

Purchase Orders may specify either fixed quantities or scheduled quantities of Products. Where scheduled quantities are provided, the Supplier shall comply with the most recent delivery schedule issued by the Buyer and shall deliver the exact quantities specified therein.

The Supplier shall deliver the quantities ordered by the Buyer. Any quantity tolerances shall be valid only if expressly agreed in writing by both Parties.

The Buyer reserves the right, at any time, to amend the quantities ordered, revise the delivery schedule, or cancel Purchase Orders in whole or in part.

The Supplier shall issue a written Order Confirmation no later than two (2) business days after receipt of the Purchase Order. Failing such confirmation, the Buyer reserves the right to cancel the Purchase Order without liability.

Upon issuing the Order Confirmation, the Supplier shall provide the latest version of all applicable Safety Data Sheets (SDS), drafted in the Italian language and prepared in accordance with the applicable European legislation.

The Supplier further warrants that all substances and preparations supplied comply with Regulation (EC) No. 1907/2006 (REACH), as amended from time to time.

The Supplier shall also ensure that all raw materials, products, substances and semi-finished goods supplied comply with **Directive 2011/65/EU (RoHS 2)** of the European Parliament and of the Council of 8 June 2011 on the restriction of the use of certain

hazardous substances in electrical and electronic equipment, as applicable to homogeneous materials.

4. DELIVERY

Unless otherwise expressly agreed in writing by the Parties, all Products shall be delivered **DDP** (Incoterms® 2020) to the plant or warehouse designated by the Buyer during the receiving department's normal business hours. The Products shall be properly packed and adequately protected for transportation.

Each package shall bear a label indicating at least the following information:

- Consignee;
- Delivery location;
- Supplier's name;
- Buyer's Product code;
- Product description;
- Quantity delivered;
- Production date (DD/MM/YY).

The agreed delivery dates shall be deemed **of the essence** and strictly binding.

Early deliveries or delayed deliveries shall not be permitted unless expressly authorized in writing by the Buyer.

The Buyer shall be entitled to reject any shipment not accompanied by a proper delivery note issued in duplicate, indicating the relevant Purchase Order number, the detailed description of the Products supplied, and all information required by the applicable laws and regulations.

5. TRANSFER OF RISK

Without prejudice to the agreed Incoterms® 2020, the following provisions shall govern the transfer of risk:

Raw Materials

Unless otherwise specified in the relevant Purchase Order, all risks relating to raw materials shall remain with the Supplier until completion of unloading operations at the Buyer's premises.

Machinery and Equipment

The Supplier shall retain all risks relating to machinery, equipment and any components thereof until successful installation, commissioning and/or acceptance testing by the Buyer, or until completion by the Supplier of all agreed functional and conformity tests following delivery.

6. QUALITY OF THE SUPPLIES

Receipt of the Products by the Buyer shall not constitute acceptance thereof.

The Buyer reserves the right to inspect and verify the conformity of the delivered Products with respect to:

- technical and functional specifications;
- quality standards;
- origin and provenance;
- quantities ordered.

The Supplier shall provide all technical documentation relating to the Products, including Certificates of Analysis and any other documentation demonstrating compliance with the applicable technical specifications and quality standards.

Should any Products fail to conform to the Purchase Order, the Buyer shall be entitled, without prejudice to any other remedies available at law or under the Contract, to:

- require immediate replacement of the non-conforming Products at the Supplier's sole expense;
- reject the Products;
- cancel the relevant Purchase Order, in whole or in part;
- claim compensation for any damages incurred.

Where requested by the Buyer, the Supplier shall carry out inspections and testing using suitable equipment provided by the Supplier or made available by the Buyer.

Upon request, the Supplier shall promptly provide the Buyer with the test results together with all supporting technical documentation.

The Supplier undertakes to manufacture and deliver its products/services in full compliance with the Supplier Quality Manual and the Code of Conduct for Suppliers and Service Providers of Taro Plast, which constitute an integral and substantial part of these General Terms and Conditions of Purchase.

The updated texts of both documents are available for review on the official Taro Plast website at the following web address: www.taroplast.com

7. INVOICING AND PAYMENT

The prices applicable to each supply of Products shall be those specified in the relevant Purchase Order.

Unless otherwise agreed in writing, such prices shall be deemed to include all packaging, freight, insurance, customs duties, taxes, charges and any other costs associated with the supply.

The Buyer shall be entitled to suspend any payment in the event of a breach by the Supplier of any contractual obligation, including, without limitation:

- failure to comply with agreed delivery dates;
- failure to fulfil warranty obligations relating to the Products.

Invoices shall be issued strictly in accordance with the Buyer's Accounting Department requirements and shall include, as a minimum:

- Supplier code;
- Purchase Order number;
- Delivery Note number.

The Supplier shall not issue bills of exchange, bank collection orders or similar payment instruments without the Buyer's prior written authorization.

Any such instruments issued without authorization may be rejected by the Buyer, and the Supplier shall be fully liable for any losses or damages resulting therefrom.

The Supplier shall not assign or transfer any receivable arising from the supply of Products without the Buyer's prior written consent. Any unauthorized assignment shall not be binding upon the Buyer, who shall incur no liability if payment is made directly to the Supplier.

8. SPARE PARTS

The Supplier shall ensure the availability of all spare parts for the Products for a minimum period of fifteen (15) years from the date of delivery, at competitive prices and under commercially reasonable terms.

9. PACKAGING

Unless otherwise expressly agreed in writing, packaging of any kind shall not be returned to the Supplier.

No charges relating to packaging shall be accepted or reimbursed unless previously approved in writing by the Buyer.

Under no circumstances shall Taro Plast S.p.A. be held liable for any loss of or damage to packaging after delivery.

10. WARRANTY

Without prejudice to any statutory rights and remedies available to the Buyer, the Supplier represents and warrants that the Products:

- a) comply with all applicable national, European Union and international laws, regulations and standards;
- b) fully comply with the technical specifications, functional requirements and quality standards required by the Buyer;
- c) are free from defects in design, materials, workmanship and manufacture, and from any defect capable of giving rise to product liability;
- d) conform to the design, materials, origin and provenance declared by the Supplier;
- e) are fit for their intended purpose.

Unless otherwise specified in the relevant Purchase Order, the Supplier further warrants that the Products and all their components shall remain free from defects and fully operational for a period of three (3) years from the date of delivery.

The Supplier warrants that the Products comply with all applicable European Union legislation.

The Buyer shall be entitled to notify the Supplier of any defects or non-conformities, whether latent or apparent, at any time, including after the Products have been processed, incorporated into other products or otherwise used in the Buyer's manufacturing operations.

The Supplier shall, at its own expense and without undue delay:

- repair or replace the defective Products;
- bear all transportation, handling and replacement costs;
- reimburse the Buyer for all reasonable costs incurred as a consequence of the non-conformity.

The Supplier shall be fully liable, including towards third parties, for any non-conformity of the Products and for any direct damages, indirect damages, consequential losses, loss of production, loss of profit, recall costs or other losses suffered by the Buyer as a consequence of defective or non-conforming Products.

The Supplier shall indemnify, defend and hold harmless the Buyer from and against any claim, liability, damage, cost, expense or legal proceeding arising directly or indirectly out of the Products supplied.

11. EXCLUSIVITY

Where Products are supplied to the Buyer on an exclusive basis, the Supplier shall not manufacture, market or sell identical or substantially similar Products, whether directly or indirectly, to any third party without the Buyer's prior written consent.

Should any third party request the Supplier to manufacture Products based upon models, drawings, specifications or technical documentation that reproduce or are substantially derived from those provided by the Buyer, the Supplier shall immediately notify the Buyer.

The Supplier shall not commence any such production without the Buyer's prior written authorization.

12. INTELLECTUAL PROPERTY RIGHTS

The Supplier represents and warrants that the Products do not infringe any intellectual property, industrial property or other proprietary rights of any third party.

Should the Supplier become aware of any actual or potential infringement that could affect the Buyer's use, manufacture, marketing or sale of the Products, the Supplier shall immediately notify the Buyer in writing.

The Supplier shall indemnify, defend and hold harmless the Buyer from and against any claim, action, proceeding, liability, damage, loss, settlement, judgment, cost or expense (including reasonable legal fees) arising out of or relating to any alleged infringement of patents, trademarks, copyrights, designs, trade secrets or other intellectual property rights resulting from the manufacture, possession, sale or use of the Products.

13. SUBCONTRACTING

The Supplier shall not subcontract any part of the manufacture, processing or supply of the Products without the Buyer's prior written consent.

Any approved subcontracting shall not release the Supplier from its obligations under the Purchase Contract.

The Supplier shall remain jointly and severally liable for the acts, omissions and performance of its subcontractors.

14. GOVERNING LAW AND JURISDICTION

These General Terms and Conditions of Purchase, together with all Purchase Orders and contracts entered into between the Buyer and the Supplier, shall be governed by and construed in accordance with the laws of the country in which the Buyer has its registered office, excluding its conflict of laws provisions.

The Courts having jurisdiction over the place where the Buyer has its registered office shall have exclusive jurisdiction over any dispute arising out of or in connection with these General Terms and Conditions of Purchase or any Purchase Contract.