# GENERAL TERMS AND CONDITIONS FOR THE PURCHASE OF GOODS

**1. Definitions.**

1.1. The following terms and expressions, unless otherwise defined in these General Terms and Conditions, shall have the meanings assigned to them below:

**"Agrati Group**": means all the companies controlled by A.Agrati s.p.a.;

**"Applicable Law**": means any and all provisions of law, regulations and/or measures applicable from time to time to the Contract, the Goods and/or the products incorporating the Goods, issued by any competent authority, including, among others, in the countries of execution of the Contract, production, shipping, supply and/or use of the Goods, including by the Purchaser's customers and end users of the Goods and/or products in which the Goods are incorporated;

"**Campaigns**": refers to interventions relating to specific technical or quality problems or any issues relating to the products marketed by the Purchaser, or which incorporate goods supplied by the Purchaser itself, carried out in order to ensure the prevention of safety risks and, therefore, any actions by its customers, third parties, and/or judicial and administrative authorities. Campaigns may be (a) recalls, when they are aimed at ensuring that end customers return products for free modification or repair to correct any non-conformity of the products themselves; (b) assistance, consisting of a voluntary action, other than a recall campaign, aimed at correcting, in a preventive or corrective manner, the non-conformities of the products or implementing any other modification or repair deemed necessary and/or in accordance with the usual practices of the relevant industry;

**"Confidential Information**" means any commercial, technical or scientific information relating to the Contract, the Goods, the Purchaser, its customers or its suppliers, belonging to or in the possession of the Purchaser for any reason, including, without limitation, drawings, sketches, materials, products, concepts, recordings, evaluations, documents, printed matter, photographs, plans, specifications, technology, methods, samples, prototypes, calculations, market and customer and/or supplier data, and which is not in the public domain (unless it has become so due to a breach of confidentiality). The fact that Confidential Information is transmitted, communicated or consulted in writing, electronically, orally or by any other means, as well as the fact that Confidential Information is categorized as such, is irrelevant for the purposes of these General Terms and Conditions;

"**Consideration**": means the price agreed between the Purchaser and the Supplier for the supply of the Goods;

"**Contract**": means each individual contract for the supply of Goods by the Supplier to Agrati, which shall be concluded from time to time between Agrati, on the one hand, and the Supplier, on the other, by means of (a) a Purchase Order issued by the Purchaser to the Supplier on the basis of a Framework Supply Contract or (b) the explicit or implicit acceptance by the Supplier of a Purchase Order issued by the Purchaser in accordance with the purchasing procedure referred to in Article 3. It shall be governed by: *(i)* the terms and conditions set out in these General Terms and Conditions, as well as (*ii*) the relevant Framework Supply Agreement, where applicable, and *(iii)* the relevant Purchase Order (including any Technical Specifications), to the exclusion of any other terms or conditions that may be applied, affixed and/or referred to by the Supplier, including its own general terms and conditions. In the event of a conflict between the provisions of these General Terms and Conditions and the specific terms and conditions set out in each Framework Supply Agreement, the provisions contained in the Framework Supply Agreement shall prevail; in the event of a conflict between the provisions of these General Terms and Conditions of Purchase and/or a Framework Supply Contract and the specific terms and conditions of a Purchase Order, the provisions contained in the Purchase Order shall prevail;

"**Documentation**": means quality certificates, certificates of origin, as well as any other document relating to the Goods that may be necessary in relation thereto, as better specified in the Purchase Order;

**"Framework Supply Agreement**": means a framework agreement that grants Agrati the right to issue Purchase Orders for the supply of Goods to the Supplier for the entire period specified therein and under the agreed conditions (including prices, capacities and volume flexibility);

**"Force Majeure Event**": has the meaning indicated in Article 11.1 of these General Terms and Conditions;

"**General Terms and Conditions**": refers to these General Terms and Conditions for the Purchase of Goods;

"**Goods**" means raw materials, semi-finished products, finished products, equipment, and/or software, or, more generally, any and all goods (with the sole exception of real estate), as well as the services and contract work related and/or connected thereto, which the Supplier undertakes to supply to the Purchaser pursuant to each Contract and as better described and identified in the relevant Purchase Order;

"**INCOTERMS**": refers to the series of commercial terms published by the International Chamber of Commerce in Paris, conventionally used in international and domestic trade, and known as *"International Commercial Terms"* or, in short, INCOTERMS, in the latest applicable version;

"**Intellectual Property Rights**": means any trademark, patent, copyright, software, industrial and commercial secrets, *know-how*, distinctive signs, industrial designs, trade names and any other intellectual or industrial property rights, including the related rights deriving from applications for registration with the competent authorities and the economic and commercial exploitation rights connected thereto, recognized under any Applicable Law;

"**Local Addendum**": indicates the local addendum to these General Terms and Conditions referred to in Article 2.1;

**"Order Confirmation**": indicates the Supplier's express written acceptance of the relevant Purchase Order issued by the Purchaser, which will be sent by the Supplier in accordance with the purchasing procedure referred to in Article 3;

"**Parties**": collectively refers to the Purchaser and the Supplier, while "Party" refers individually to either the Purchaser or the Supplier, as applicable;

"**PPAP**" (*Production Part Approval Process*): standard procedure for the approval of Goods in accordance with IATF 16949 requirements, aimed at validating the Supplier's production process capacity to consistently and repeatedly produce goods that comply with the Purchaser's technical and quality requirements;

"**Purchaser**" or "**Agrati**": refers to A.Agrati s.p.a. or the company of the Agrati Group that issued the relevant Purchase Order;

**"Purchase Order**": means the order for the supply of Goods issued by the Purchaser to the Supplier in accordance with the purchase procedure referred to in Article 3 below;

**"Purchaser's Tools**": has the meaning given in Article 15 of these General Terms and Conditions;

"**Supplier**": means the supplier of the Goods ordered by the Purchaser;

**"Supplier's Tools**": has the meaning given in Article 14 of these General Terms and Conditions;

"**Third-party claim**": has the meaning given in Article 13.4 of these General Terms and Conditions;

**"Technical Committee":** has the meaning indicated in Article 12.7 of these General Terms and Conditions;

"**Technical Specifications**": means the technical specifications (describing, among other things, the qualitative, functional and application characteristics) of the Goods, as described from time to time in the relevant Contract and/or in any additional documentation sent by the Purchaser to the Supplier, as applicable.

**2. Scope of the General Terms and Conditions**

2.1. The purpose of these General Terms and Conditions is to govern the contractual relationship between the Purchaser and the Supplier concerning the supply of Goods to the Purchaser. In case and to the extent the relevant Contract is entered into by a non-Italian entity of the Agrati Group, these General Terms and Conditions shall be supplemented by the applicable Local Addendum; in such a scenario, the Local Addendum shall form an integral part of the Contract and, in the event of conflict, the provisions thereof will prevail on any contrary provision contained under this General Terms and Conditions. The Parties acknowledge that the aforementioned relations between them shall be governed exclusively by these General Terms and Conditions, to the exclusion of any general terms and conditions applied by the Supplier. From the moment the Contract is concluded, and for the period during which the Goods are supplied, these General Terms and Conditions shall be binding and shall prevail between the Parties.

2.2. The terms and conditions set out in these General Terms and Conditions shall apply to each Contract concluded between the Purchaser and the Supplier and, in particular, shall automatically supplement, from time to time, the provisions of the relevant Purchase Order issued by the Purchaser.

2.3. For the sake of clarity, considering the different types and characteristics of the various Goods that may be supplied, these General Terms and Conditions include *(i)* general provisions, applicable without distinction to any type of Goods, as well as *(ii)* specific provisions, referring exclusively to certain types of Goods and which may, consequently, not apply to a Contract if the latter does not concern the supply of the type(s) of Goods to which these clauses refer.

2.4. It is expressly understood between the Parties that, under no circumstances, shall the conclusion of a Contract entail the attribution to the Supplier of any exclusive rights and, as a result, the Purchaser shall remain fully free to purchase and/or procure goods similar or identical to the Goods referred to in the Contract from any third-party Supplier, including competitors of the Supplier.

**3. Purchase Order**

3.1. A Contract is entered into between the Parties if the Purchaser issues a Purchase Order for the supply of the Goods to the Supplier on the basis, and in accordance with the provisions, of a Framework Supply Contract, where applicable.

3.2. Without prejudice to the foregoing, the Purchaser may issue a Purchase Order to the Supplier for the supply of Goods even without a Framework Supply Agreement. The issuance of any Purchase Order by the Purchaser, including through the Purchaser's dedicated portals, where applicable, or, in any case, other electronic means (including email or other forms of electronic transmission), shall in no case be considered as acceptance, either in whole or in part, of any proposal and/or offer previously made and/or submitted to the Purchaser by the Supplier, nor of the Supplier's general terms and conditions.

3.3. If the Supplier intends to accept the Purchase Order received i) pursuant to Article 3.1 above - where the relevant acceptance procedure is not already governed by the relevant Framework Supply Agreement - or ii) pursuant to Article 3.2 above, the Supplier shall send the Purchaser an Order Confirmation, duly signed by the Supplier, through the Purchaser's dedicated portals, where available, or, in any case, other electronic means (including email or other forms of electronic transmission). The Order Confirmation, duly completed and signed as above, must be received by the Purchaser no later than 5 (five) working days from receipt by the Supplier of the relevant Purchase Order. Without prejudice to the foregoing, any action taken by the Supplier to fulfil the Purchase Order shall itself constitute acceptance of the Purchase Order.

3.4. Without prejudice to the provisions of Article 3.5 below, the Contract shall be deem\ed to have been concluded and, as such, effective and binding between the Parties, under the terms and conditions set out in the relevant Purchase Order (as supplemented by these General Terms and Conditions), in the event of actual transmission by the Supplier of a specific Order Confirmation or upon completion of the action taken by the Supplier to fulfil the Purchase Order. If the Order Confirmation transmitted contains any changes, additions, reservations and/or exceptions to the content of the relevant Purchase Order, it shall automatically be considered as a new contract proposal made by the Supplier which, as such, may be freely rejected by the Purchaser for all contractual and legal purposes and at its sole discretion.

3.5. If the Supplier refrains from sending an Order Confirmation or does not begin to fulfil the Purchase Order within 5 (five) working days of its receipt, the Purchase Order shall nevertheless be considered fully and irrevocably accepted by the Supplier. Any reservations or requests for changes or modifications by the Supplier received by the Purchaser after the above-mentioned deadline shall not be considered valid.

3.6. Unless otherwise agreed in a Framework Supply Agreement, the Parties acknowledge and agree that any communications from the Purchaser to the Supplier regarding forecasts of its requirements for Goods, as well as the quantities of Goods indicated in any request from the Purchaser for a quotation, estimate, offer and/or in any other agreement (including any Framework Supply Agreement) are made for the sole purpose of allowing the Supplier to organize its production in order to meet the Purchaser's expected requirements indicated therein; consequently, although the Supplier is required to ensure the availability of Products to the Purchaser, the Supplier shall have no claim against the Purchaser for compensation, reimbursement, damages and/or anything else with regard to the failure to purchase, in whole or in part, Goods in line with the forecasts communicated by the Purchaser or with the quotation requests sent by the Purchaser and/or with the quantities indicated in the Supplier's estimates and/or offers.

**4. Terms of Supply**

4.1. The Supplier undertakes to supply the Goods in accordance with the terms and at the place indicated in the relevant Purchase Order, as well as in accordance with any written communications and instructions from the Purchaser sent to the Supplier from time to time, and

undertakes to take all necessary and appropriate actions to ensure that this occurs. That said, if the Purchaser requests in writing that the Supplier deliver the Goods within a shorter time frame than that specified in the Purchase Order, the Parties shall agree, in good faith, on a delivery date as close as possible to the date requested by the Purchaser, without the Supplier having any claim against the Purchaser for compensation, reimbursement, damages and/or anything else for any reason or cause directly and/or indirectly related to the foregoing.

4.2. The Purchaser may, in any case, at its sole discretion and without assuming any liability towards the Supplier, postpone the delivery date of the Goods and shall inform the Supplier of this decision in writing, with reasonable notice.

4.3. Without prejudice to the Purchaser's rights under Article 4.2 and Article 5, the terms of supply of the Goods, as specified in each Purchase Order, shall be considered essential and peremptory, in the Purchaser's interest, for the proper performance of each Contract. In the event that the Supplier fails to comply with the terms or deadlines established for the supply of the Goods, the Purchaser shall have the right to terminate, with immediate effect, in whole or in part, the relevant Contract, by simple written notice to the Supplier, without the latter having any claim against the Purchaser for compensation, reimbursement, damages and/or anything else, without prejudice to any further rights and remedies that the Purchaser may have under Applicable Law and/or the Contract.

4.4. Furthermore, if the Supplier becomes aware of any event or circumstance that could result in a breach of its obligations, it shall take all necessary and appropriate corrective measures and shall promptly inform the Purchaser in writing, indicating the problem and the proposed solution. If the Supplier is unable to propose a solution that is convenient and acceptable to the Purchaser, the latter shall have the right, at its sole discretion, to terminate the Contract, in whole or in part, with immediate effect, by written notice to the Supplier, without the latter having any claim against the Purchaser for compensation, reimbursement, damages and/or anything else, without prejudice to any further rights and remedies that the Purchaser may have under Applicable Law and/or the Contract. Finally, at the Purchaser's request, the Supplier shall inform the Purchaser of any risks that could lead to a breach of its obligations and demonstrate that it has adopted appropriate protection and business continuity plans to prevent the above.

4.5. Unless the relevant Purchase Order expressly provides for the Supplier's right to supply the Goods in advance of the deadline specified in the Purchase Order itself, the Supplier must strictly comply with the date indicated therein, avoiding (in addition to any type of delay) any type of advance delivery with respect to the terms of supply established in the relevant Purchase Order. Therefore, in the event of early delivery of the Goods by the Supplier, the Purchaser shall have the right, at its sole discretion, *(i)* to charge the Supplier for any expenses and/or costs related to the storage and/or preservation of the Goods; and *(ii)* to refuse, in whole or in part, the supply of the Goods and return to the Supplier, at the Supplier's expense, the Goods whose supply has not been accepted. In the event of a delay in delivery with respect to the deadline set out in the Purchase Order, unless there is evidence of greater damage, the Supplier shall pay the Purchaser a penalty equal to 0.50% of the value of the entire Purchase Order for which there is a delay (even partial), for each day of delay, up to a maximum of 10% of the value of the entire subject Purchase Order. Such penalty for delay is without prejudice to any other rights or remedies available to the Purchaser under the Contract or Applicable Law and represents the Parties' agreed compensation for the inconvenience and administrative costs associated with the delay, and shall not be deemed to waive or limit the Purchaser's right to claim any further damages, including but not limited to damages, that may arise from the Supplier's delayed delivery. The Parties acknowledge that this penalty is reasonable and shall not be subject to adjustment under Article 1384 of the Civil Code, provided always that the total accumulated penalty shall not exceed 10% of the value of the relevant Purchase Order.

4.6. The risks associated with the possible loss of the Goods shall pass to the Purchaser in accordance with the applicable INCOTERMS. If, for any reason, the Purchaser makes an advance payment in relation to certain Goods, ownership (but not the risks, which will continue to be transferred to the Purchaser in accordance with the applicable INCOTERMS) will be transferred to the Purchaser from the moment such advance payment is made (if earlier than the time when ownership would transfer in accordance with Applicable Law).

4.7. If the relevant Purchase Order does not specify the INCOTERM under which the supply will be made, it shall be deemed to be based on INCOTERM DDP (*delivery duty paid*).

**5. Modification of Purchase Orders**

5.1. The Purchaser may, at any time, modify all or part of any Purchase Order.

5.2. The Purchaser may, from time to time, request the Supplier to make changes to the scope of the supply covered by a Purchase Order, including, by way of example, to the drawings and Technical Specifications of the Goods. If the above changes involve revisions to the Consideration for the Goods, the Parties shall discuss in good faith any adjustments to the Consideration (upwards or downwards), it being understood and without prejudice that the Consideration resulting from the aforementioned changes shall be binding between the Parties only if agreed in writing and, in any case, pending discussion between the Parties, the Supplier undertakes to immediately make the changes requested by the Purchaser.

5.3. The Supplier shall not be entitled to make any changes to the Goods (including, by way of example and without limitation, specifications, additional features, designs, plans) without the prior written consent of the Purchaser. Once the Goods have been delivered, the Purchaser reserves the right to verify their compliance with the guarantees referred to in Article 12.2, without this implying acceptance and without any obligation to perform them.

**6. Quality**

6.1. The Supplier shall comply, and shall ensure that its subcontractors and suppliers authorized by the Purchaser comply, in all respects, with the requirements and procedures of the Purchaser and the Purchaser's end customer (where the Purchaser makes the relevant documentation available to the Supplier), as amended or updated from time to time and as incorporated by reference into the Purchase Order.

6.2. The Supplier undertakes to ensure that, before the Goods are supplied to the Purchaser: (a) for the first time; or (b) with a new product code; or (c) after any change in the relevant production process, the validation procedure (PPAP - Production Part Approval Process) is successfully completed, in accordance with the requirements specified by the Purchaser and/or the Purchaser's end customer (which the Purchaser may have made available to the Supplier), in order to ascertain whether the Supplier is able to produce the required quantity of Goods, in accordance with the required quality, with the capacity of the facilities, personnel and machinery at its disposal. It is understood that PPAP approval does not in any way exempt the Supplier from its responsibility for the initial and ongoing conformity of the Goods.

6.3. The Supplier undertakes to continuously improve the quality of the Goods and its production and logistics processes. The Supplier shall provide and maintain, and shall ensure that its subcontractors and suppliers authorized by the Purchaser provide and maintain, a quality management system that complies with all Applicable Law and the Contract, and shall carry out quality inspections in this regard.

6.4. The Supplier undertakes to comply with, and ensure that its subcontractors and suppliers authorized by the Purchaser comply with, the requirements of the latest edition of ISO 9001, in addition to the requirements of the Purchaser's procedures and those of the Purchaser's end customer (where the Purchaser makes the relevant documentation available to the Supplier). Unless otherwise agreed in writing between the Parties, the Supplier's possession of ISO 9001 certification must be demonstrated to the Purchaser by presenting the relevant certificate.

6.5. Upon delivery, the Purchaser reserves the right to carry out checks on the Goods, limited to externally visible transport damage and compliance with the agreed quantity, and shall notify the Supplier of any discrepancies without undue delay. Such checks do not constitute testing, acceptance/incoming inspection or verification of technical conformity and do not imply acceptance of the Goods or waiver of any rights. The Purchaser may verify compliance with the Technical Specifications and detect any defects or discrepancies even after delivery, at the time of use of the Goods in its own processes and/or, also pursuant to Article 12.5 below, when such defects are detected by the end customer during the assembly/use of the Purchaser's products incorporating the Goods. The Purchaser shall not be required to pay for, and may return at the Supplier's expense, at its sole discretion, any Goods supplied in excess of the quantities ordered or any Goods that are otherwise non-compliant. The Purchaser shall have the right to make such excess or non-compliant Goods available for collection by the Supplier at the facility indicated by the Supplier; if, after 14 (fourteen) working days from the written notice to the Supplier, the latter has not recovered (unless otherwise agreed in writing with the Purchaser) such Goods, the Purchaser shall be entitled to charge the Supplier for any expenses and/or costs related to their storage and/or disposal.

6.6. Without prejudice to any other remedy provided for in the Contract and Applicable Law, if the Supplier violates the agreed quality and/or quantity objectives, the Purchaser shall have the right, including with the assistance of third parties, to take action to analyze the non-conformities and correct them. The Supplier undertakes to provide assistance and to reimburse the Purchaser for any damages resulting from such breaches, without prejudice to any other rights and claims that the Purchaser may have in such cases. The Supplier may object to the intervention of a third party involved in the support action if there is a justified and objective reason for doing so (e.g. if the third party is a competitor).

6.7. The Supplier shall provide the Purchaser with all requested information on its supply chain, including production sites and subcontractors. The Supplier shall inform the Purchaser in writing and in advance of any transfer of production sites and any changes to the supply chain (including, by way of example, the use and/or replacement of a subcontractor), refraining from making such changes until written authorization has been obtained from the Purchaser and, where applicable, until the validation/PPAP activities requested by the Purchaser or its end customer have been completed. All costs, charges and expenses in any way connected with or arising from (i) such changes or (ii) non-compliance with this article shall be borne exclusively by the Supplier, without any right of recourse against the Purchaser, regardless of who incurred them.

**7. Consideration, Invoicing and Terms of Payment**

7.1. The Purchaser shall pay the Supplier the Consideration indicated in the Contract. The Parties agree that, once the Contract has been finalized, the agreed Consideration is unchangeable and cannot be increased in the event of fluctuations in the prices of raw materials and materials used for processing, or for any other reason or cause.

7.2. The Consideration is net of VAT and all-inclusive: it includes, by way of example, materials, labour, transport, packaging, insurance, taxes and any other costs or expenses related to the supply of the Goods. Unless otherwise specified in the Purchase Order, all such charges shall be borne by the Supplier.

7.3. The Supplier shall issue the invoice(s) relating to the Consideration as indicated in the Contract, with a date no earlier than the date of actual delivery of the Goods. Each invoice issued by the Supplier shall expressly indicate, among other things, the number of the relevant Purchase Order and a description of the Goods to which the invoice refers. In the absence of the above information, the Purchaser may suspend payment of the Consideration and the respective payment terms shall commence from receipt of the invoice complete with all the necessary information and in accordance with the provisions of the Applicable Law.

7.4. The Supplier shall issue and send invoices for the agreed Consideration in accordance with the provisions of the Applicable Law. The Supplier also undertakes to send a courtesy copy of the invoices with the above characteristics to the email addresses that will be notified by the Purchaser from time to time. The Purchaser shall pay the Consideration indicated in the Purchase Order to which the invoice refers, in accordance with the terms and methods of payment indicated in the Contract.

7.5. The payment of the Consideration pursuant to the preceding article shall not, under any circumstances, be interpreted as implicit acceptance of the Goods by the Purchaser; consequently, under no circumstances may such payments be considered as a waiver by the Purchaser of the right to reject Goods that do not comply with the relevant Contract or of any other right or power that the Purchaser may have against the Supplier pursuant to the Contract and/or Applicable Law.

7.6. It is understood that, if the Purchaser has reasonable grounds to believe that the Goods supplied by the Supplier under the Contract may be subject to restrictions, claims or encumbrances, the Purchaser may withhold the Consideration pending receipt of proof that such Goods are free from restrictions, claims and encumbrances. Furthermore, if the supply is not made in accordance with the Contract, the Purchaser shall be entitled to withhold from the Consideration an amount determined by the Purchaser itself until the Supplier has fully fulfilled its obligations.

7.7. The Supplier may not assign to any third party, either in whole or in part, any credit claimed from the Purchaser under each Contract without the prior written consent of the Purchaser.

7.8. In any case, the Purchaser shall have the right to offset, in whole or in part, any amount, including the Consideration for the Goods, that the Purchaser owes to the Supplier under any Contract and/or Applicable Law, with any amount owed to it (or that the Purchaser believes, in its sole discretion, is owed to it) by the Supplier, up to the amount of the relevant amounts.

**8. Duration**

8.1. Without prejudice to the effectiveness of these General Terms and Conditions from the moment of their acceptance (including by conclusive acts) by the Supplier. and of the Framework Supply Contract from the moment of its signing, the individual Contract shall be deemed effective from the moment of its conclusion pursuant to Article 3 above and shall remain fully valid, effective and binding for the entire duration, from time to time, indicated in the Purchase Order or, in any case, for the longer period that may be necessary in order to fully and properly perform any and all obligations and/or fulfilments arising for the Parties under each Contract.

8.2. These General Terms and Conditions shall remain fully valid, effective and binding on the Supplier until such time as they are amended and/or replaced, in whole or in part, by the Purchaser. In the event that the Purchaser modifies them and such modification has a significant impact on the performance of the service covered by a Contract by the Supplier, with consequent serious prejudice to the latter, the Supplier shall have the right to withdraw from the Contract by sending the Purchaser written notice by registered letter with return receipt or certified email with 12 (twelve) months' notice.

**9. Right of withdrawal**

9.1. The Purchaser shall have the right, at its discretion, to unilaterally terminate or cancel, in whole or in part, each Purchase Order and/or Framework Supply Contract at any time and for any reason, by sending the Supplier written notice by registered letter with return receipt or certified email.

9.2. If Purchaser cancels or terminates, in whole or in part, a Purchase Order and/or Framework Agreement, it shall be required to pay the Supplier only: (i) the Consideration for all Goods covered by a Purchase Order that have been completed, on the date on which the termination notice is served, in accordance with the Contract, for which the Consideration has not been paid previously; and (ii) the actual costs incurred by the Supplier, as evidenced by documentary evidence provided by the latter, for work in progress and raw materials that have been purchased for the purpose of supplying the Goods, to the extent that such costs are reasonable and comply with the Purchaser's supply chain requirements.

9.3. In addition to the foregoing, and to the extent permitted by mandatory provisions of Applicable Law, if any of the following events occur, the Purchaser shall have the right to terminate the relevant Contract within 3 (three) months of notification of the relevant event by the Supplier, pursuant to Article 23.2 below:

(i) the Supplier is in liquidation or is otherwise unable, for any reason, to properly and regularly manage its business;

(ii) the Supplier is subject to enforcement proceedings or other forms of constraint on its assets that prejudice or seriously jeopardize the proper fulfilment of its contractual obligations under the Contract;

(iii) in the event of a merger of the Supplier with another company or legal entity through the establishment of a new company or in the event of a merger by incorporation into another company or legal entity and/or in the event that, for any reason and/or as a result of any corporate transaction involving the Supplier and/or its direct or indirect shareholders, a change of control in the Supplier's shareholding structure.

If the Purchaser exercises its right of termination or cancellation pursuant to this article, it shall have the right, at its sole discretion, to request the Supplier to take all the measures referred to in Article 9.4.

9.4. The Supplier may, at its sole discretion, cancel or terminate in whole or in part any Purchase Order and/or Framework Supply Agreement, provided that such right of termination or cancellation may be exercised by sending to the Purchaser written notice by registered letter with return receipt or certified email with 24 (twenty-four) months' notice; however, this right shall in no case prejudice the effective and efficient performance of existing contracts between the Purchaser and its customers (including, by way of example, on the basis of existing supply programs). The Supplier shall take all necessary and/or appropriate measures to avoid any negative impact on the Purchaser's supply chain and on the Purchaser's customers and their supply chains. In such a case, the Purchaser may take all measures it deems appropriate (including placing orders with third-party suppliers for the supply of Goods covered by a Purchase Order), and the Supplier shall provide such assistance as may be reasonably requested by the Purchaser to ensure a seamless transition to the Purchaser and/or any alternative supplier and shall cooperate with such alternative supplier to mitigate any negative impact on the Purchaser.

**10. Termination**

10.1. Without prejudice to any additional rights and remedies already provided for under the Contract or under Applicable Law, each Party shall have the right to terminate each Contract pursuant to Articles 1453 and 1454 of the Civil Code; in particular, each Party may give written notice to the other Party, which has committed a breach of the obligations assumed under the relevant Contract, to comply within 15 (fifteen) days of receipt of the aforementioned notice; if this period of 15 (fifteen) days expires without the obligations that are the subject of the breach having been fulfilled, the Contract shall be deemed to have been terminated by operation of law.

10.2. The Purchaser shall also have the right to terminate each Contract, in whole or in part, with immediate effect, pursuant to and for the purposes of Article 1456 of the Civil Code and by simple written notice, in the event of failure by the Supplier to fulfil even one of the obligations referred to in Articles 4.1, 4.3, 4.4, 6, 12, 14, 15, 16, 18, 19, 20, 21, 22, 23.3 of these General Terms and Conditions.

10.3. In the event of termination, for any reason, of each Contract, the Supplier shall immediately return, at its own expense, to the Purchaser any information (including, without limitation, Confidential Information) document, dossier, material, programs and any other type of information, made available to the Supplier in any way by the Purchaser, in relation to, in connection with, or during the negotiation, signing and/or performance of the Contract itself, or, alternatively, shall dispose of it in accordance with the instructions specifically communicated by the Purchaser.

**11. Force Majeure**

11.1. Pursuant to these General Terms and Conditions and the Contract, any event or circumstance that is not reasonably foreseeable or that is beyond reasonable control or that could not have been avoided by exercising the diligence, prudence and expertise of a reasonable and prudent operator shall be considered a force majeure event ("**Force Majeure Event**"), including, but not limited to, explosions, natural disasters, acts of terrorism, wars, laws, prudence and expertise of a reasonable and prudent operator, including, but not limited to, explosions, natural disasters, terrorist acts, wars, laws, orders, regulations, directives or administrative measures (including the so-called *factum principis*); it being understood, however, that the unavailability or increase in the costs of supply and/or production by the Supplier shall in no case constitute a Force Majeure Event, and the Supplier therefore expressly waives the remedies referred to in Article 1467 of the Civil Code.

11.2. In the event of a Force Majeure Event, the affected Party shall use its best efforts to ensure that its effects are minimized and, as soon as possible, to resume full performance of the Contract. Throughout the duration of the Force Majeure Event, the Parties shall keep each other constantly updated on any related developments.

11.3. If the Force Majeure Event causes a delay in the performance of the Supplier's obligations such as to prevent the Purchaser from meeting its production requirements, the Purchaser shall have the right, at its sole discretion, to: (i) purchase goods or services from other sources and reduce its purchase programs from the Supplier by such quantities; or (ii) require the Supplier to supply goods or services from other sources in the quantities and at the times requested by the Purchaser at the price established in the Contract. In this case, the Purchaser shall have the right to withdraw from the Contract between the Parties, which cannot be properly performed due to the Force Majeure Event.

11.4. If requested in writing by the Purchaser, the Supplier shall, within 5 days of the Purchaser's request, provide adequate guarantees that the delay in the Supplier's performance resulting from such event will not exceed 10 days. If the Supplier does not provide such adequate assurances or does not resume full performance of the Contract within 10 days of the occurrence of the Force Majeure Event, the Purchaser may immediately terminate the Contract without any liability to the Supplier**.**

**12. Guarantees**

12.1. *Guarantees relating to the Supplier's requirements*

By signing the Contract, the Supplier declares and guarantees:

(i) that, on the date of signing the Contract, it possesses all the skills, capabilities, requirements, permits and authorizations, pursuant to any provision of Applicable Law and/or any measure of a competent authority, as well as having all the means and resources

necessary to regularly fulfil all the obligations assumed by the Supplier under the Contract in compliance with any provision of Applicable Law, and that the aforementioned will remain in force, valid and effective for the entire duration of the Contract;

(ii) that the signing of the Contract by the Supplier, as well as the fulfilment by the Supplier of the obligations provided for in the Contract, does not and will not entail, in any way, either directly or indirectly, the violation of any provision of Applicable Law, any measure or decision of any competent authority, any obligation or commitment undertaken by the Supplier under contracts with third parties or any right or power of any nature whatsoever of third parties;

(iii) that it is fully aware of and accepts the principles of procedure GS-167 entitled "*Agrati Group Customer Specific Requirements*", the Purchaser's Code of Ethics and Supplier Code of Conduct published on the website www.agrati.com or otherwise sent to the Supplier by the Purchaser, and to acknowledge that the Purchaser has adopted its own organization, management and control model pursuant to Legislative Decree No. 231 of 2001;

(iv) In performing the Contract, it shall use resources, including materials, energy and water, in a responsible and efficient manner, avoiding waste, in order to reduce as much as possible the impact of production on the environment and its commitment to provide the Purchaser with all necessary and/or appropriate information relating to $CO_2$ emissions, water consumption, waste production and/or any other information that may be requested by the Purchaser in relation to the supply of the Goods, for the purposes of its sustainability reporting obligations.

In the event of a breach of the aforementioned obligations by the Supplier, the Purchaser shall be entitled to terminate or, in any case, to unilaterally withdraw from the Contract, with immediate effect by means of simple written notice, without any charge to the Purchaser and with the Supplier being charged for any additional expenses and/or costs incurred by the Purchaser as a result of the foregoing, and without prejudice to any further rights or remedies that the Purchaser may claim, in relation to the foregoing, pursuant to the Contract or Applicable Law.

12.2. *Warranties relating to the Goods*

By signing the Contract, the Supplier declares and warrants:

(i) that the Goods shall comply with the Technical Specifications and the best quality and functional standards generally adopted in the relevant industrial sector, as well as being suitable for the specific use for which they are intended;

(ii) that the Goods shall be free from any defects, including, by way of example only, any defects in design, materials or workmanship (including aesthetic defects) that render them, even only in part, unsuitable for their specific intended use or which appreciably diminishes their value, in accordance with the provisions of Article 1490 of the Italian Civil Code, for a period (the "**Warranty Period**") which shall commence on the date of receipt of the Goods (including, for clarity, any Goods that may replace the defective Goods originally supplied by the Supplier) by the Purchaser and which shall end, unless otherwise agreed in writing by the Purchaser and the Supplier, on the later of (a) 5 (five) years from the date of receipt of the Goods by the Purchaser; (b) the date of expiry of any warranty period provided for by Applicable Law for the Goods; (c) the date of expiry of any warranty relating to the Goods given by the Purchaser to its end customer; (d) the date of expiry of any warranty given by the Purchaser's end customer to third parties with reference to products incorporating the Goods. The Parties acknowledge and agree that, even in derogation from the provisions of Article 1495 of the Civil Code, the Purchaser reserves the right to report any defects to the Supplier within 30 (thirty) days from the date on which the Purchaser becomes aware that the defect is attributable to the Supplier, unless otherwise agreed between the Parties;

(iii) the proper functioning of the Goods, pursuant to and for the purposes of Article 1512 of the Civil Code, for the Warranty Period;

(iv) that the Goods will be designed, manufactured, packaged and transported in full compliance with Applicable Law;

(v) that the Goods shall be *(i)* manufactured with materials and components of the highest quality; *(ii)* newly manufactured and *(iii)* shall not contain used, recycled and/or reassembled materials and/or components, unless otherwise agreed between the Parties;

(vi) it will not carry out, either directly or indirectly, including through its subcontractors, any reworking, except as may be provided for in Chapter 7 of the GS.167 "Deviation Requests";

(vii) that the Assets are not encumbered by any collateral or restrictions of any kind, nor by any charges or real or personal rights of any third party that would diminish the Purchaser's free enjoyment thereof;

(viii) that no third party will claim ownership of the Goods, or any type of personal and/or real and/or intellectual property rights over them, nor, in general, will be able to make any claim of any kind over them.

12.3. If the Supplier discovers that the Goods or its design or production processes do not, or may not, comply with the requirements of the Contract and/or Applicable Law, it shall immediately inform the Purchaser.

12.4. Without prejudice to the foregoing, if a defect is discovered while the relevant Goods are still stored at the Purchaser's premises, the Supplier shall have the option of remedying the defect or replacing the defective Goods, provided that this does not cause any delay in the production process of the Purchaser and/or the Purchaser's end customer.

If the Purchaser cannot reasonably allow the Supplier to remedy the defect or replace the defective Goods for operational reasons (including those related to timing and assembly sequence) or if the Supplier is unable to remedy the defect or replace the defective Goods, the Purchaser shall be entitled to (a) remedy the defect itself at the Supplier's expense or (b) have it remedied by a third party at the Supplier's expense or (c) return or scrap the defective Goods at the Supplier's expense in accordance with the following terms.

In case (c), the Supplier shall notify the Purchaser within 5 (five) working days whether the Purchaser is required to return the Goods concerned to the Supplier at the Supplier's expense, or otherwise to scrap them. If the Supplier does not notify the Purchaser of its decision within the above-mentioned period, the Purchaser shall scrap the Goods at the Supplier's expense. In this regard, the Supplier shall not be entitled to make any claim.

In each case described in this Article 12.4, the Supplier shall indemnify the Purchaser for all damages and losses suffered by the Purchaser as a result of the delivery of defective Goods.

12.5. If the defect is discovered when the defective Goods are no longer stored at the Purchaser's premises or have already been delivered to the Purchaser's end customer, the Supplier shall compensate the Purchaser for all damages and losses suffered by the Purchaser as a result of the delivery of defective Goods, including damages suffered in relation to the Purchaser's end customer, such as delays and production line stoppages suffered by the Purchaser or the end customer in their production process, the costs incurred to meet the new production of Goods requested, the costs associated with the Campaigns (where, following verification, the defect is found to be attributable to the Supplier), the

expenses incurred to carry out any sorting activities and, in general, all damages/costs/penalties that the Purchaser will in turn be required to pay to the end customer.

12.6. If the supply of defective Goods pursuant to Articles 12.4 and 12.5 is deemed to be significant, at the sole discretion of the Purchaser, the Purchaser shall have the right to terminate the Framework Supply Agreement and/or the Contract, as applicable, without the Supplier having any claim against the Purchaser for compensation, reimbursement, damages and/or anything else, without prejudice to any further rights and remedies that the Purchaser may have under Applicable Law and/or the Contract.

12.7. If the Supplier disputes the existence of the defect and/or malfunction of the Goods within 5 (five) days of the Purchaser's notification, the matter shall be referred to a technical committee composed of representatives of both the Purchaser and the Supplier (the **"Technical Committee**"), which shall determine the Supplier's degree of liability and the costs attributable to the Supplier.

12.8. Pending the decision of the Technical Committee, the Supplier undertakes to perform its services and to ensure that supplies to the Purchaser are not suspended. Pending the decision of the Technical Committee, the Supplier shall be required to bear, upon presentation of appropriate supporting documentation, all expenses incurred by the Purchaser in relation to the defective Goods. It is understood that, following the Technical Committee's assessment, if the Supplier is not held wholly or partly liable, the Purchaser shall be required to reimburse the Supplier for the difference between the amount already paid by the latter and the amount actually owed by the Supplier.

**13. Supplier Liability and Indemnification Obligations**

13.1. The rights and remedies of the Purchaser provided for in these General Terms and Conditions and in the Contract are cumulative and additional to all other rights and remedies existing under Applicable Law. Without prejudice to the foregoing, if the Goods do not comply with the requirements set out in the Contract and/or the Technical Specifications of the Goods incorporated by reference in the Contract, or if the Supplier breaches or fails to fully and promptly perform any of its obligations under a Framework Supply Contract and/or a Contract and/or Applicable Law, the Purchaser shall be entitled to claim compensation for the resulting damages.

13.2. The Supplier shall be required to indemnify, defend and hold harmless the Purchaser from any costs, damages, loss and expense (including legal fees and expenses, and without excluding any damages and/or penalties that the Purchaser's customers or third parties may claim against the Purchaser itself) caused by or arising from any action brought for death, personal injury and/or property damage arising from or attributable to: (a) defective Goods or any product in which such defective Goods have been embedded, (b) breach by the Supplier of its obligations under the Framework Supply Agreement and/or a Contract, (c) wilful misconduct or negligence of the Supplier, or (d) failure by the Supplier to comply with any Applicable Law.

13.3. In the event that the Supplier supplies defective Goods and the Purchaser and/or the Purchaser's end customer recalls the Goods and/or products in which the Goods in question have been incorporated, due to a legal obligation or an order from the competent authorities, as part of a Campaign if applicable, the Supplier shall indemnify the Purchaser in accordance with the provisions of Article 12.5.

13.4. If a third party notifies the Purchaser of a claim (hereinafter "**Third Party Claim**") that may be subject to the Supplier's indemnification obligations under this article, the Supplier shall, at the Purchaser's request, provide adequate and reasonable assistance in defending against the Third Party Claim.

**14. Supplier's Tools**

14.1 The Supplier shall maintain in good working order, replace where necessary, insure and operate safely all machinery, equipment, tools and other items ("**Supplier's Tools**") necessary for the production of the Goods. All costs arising from the foregoing shall be borne by the Supplier. The Supplier grants the Purchaser an irrevocable option to purchase the Supplier's Tools used for the production of the Goods, to be exercised in the event of termination of the relevant supply by the Supplier and against payment to the Supplier of the relevant book value.

**15. Purchaser's Tools**

15.1. All tools, equipment and production facilities (including any dedicated lines), molds, dies, punches, benches and measuring/testing/inspection/packaging equipment, spare parts, improvements and replacements, as well as any other tangible asset, device or equipment, even if not expressly listed, intended for the manufacture and/or control of the Goods supplied by or on behalf of the Purchaser, directly or indirectly, to the Supplier, or paid for by the Purchaser through the Consideration for the Goods or in a Purchase Order ("**Purchaser's Tools**"), are and shall remain, unless otherwise agreed in writing, the exclusive property of the Purchaser, and all rights, titles and interests relating to the Purchaser's Tools shall remain with the Purchaser, except for the right of use granted to the Supplier under this article. The Supplier shall hold the Purchaser's Tools as a gratuitous bailee for the benefit of the Purchaser, unless otherwise indicated by the latter.

15.2. The Supplier shall assume all risks of loss and damage to the Purchaser's Tools, regardless of whether the Purchaser's Tools are located on the premises of the Supplier or its suppliers or subcontractors, if authorized. The Purchaser's Tools shall always be properly stored by the Supplier or its subcontractors, insured and maintained by the Supplier in good condition, all at the Supplier's expense. All routine maintenance activities (e.g. cleaning, lubrication, calibration, replacement of consumable parts, routine repairs necessary for normal operation) shall be borne by the Supplier. The Purchaser shall be responsible for any work exceeding routine maintenance, including significant structural repairs, reconditioning, complete replacement of the Tool in the event of obsolescence, wear and tear that cannot be remedied by routine maintenance, deterioration or destruction not attributable to the Supplier. Such interventions require the prior written authorization of the Purchaser, upon prompt notification by the Supplier with an estimate of time and costs. The Supplier shall be fully responsible for the costs of repairs/replacements due to the Supplier's willful misconduct or negligence, improper use, failure to comply with specifications/instructions, unauthorized tampering/modifications or inadequate storage.

15.3. The Purchaser's Tools: (i) shall be clearly marked as the Purchaser's property; (ii) shall not be confused or mixed with the Supplier's or third parties' goods; (iii) shall not be moved from the Supplier's premises (or those of its authorized subcontractors) without the Purchaser's prior written authorization; (iv) shall not be used for any purpose other than the performance of the Contract.

15.4. The Purchaser shall have the right to request the immediate return of the Purchaser's Tools at any time. Upon request by the Purchaser, the Purchaser's Tools shall be immediately returned to the Purchaser in accordance with the Purchaser's instructions.

15.5. To the fullest extent permitted by law, the Supplier waives any lien, claim, encumbrance, interest or other right in the Purchaser's Tools (including for work performed on them).

**16. Intellectual Property Rights**

Goods manufactured on the basis of the Purchaser's designs, plans and/or specifications may not be used by the Supplier for its own purposes or transferred/sold/supplied to third parties (directly or indirectly, including through related parties) without the Purchaser's prior written authorization. Nothing in the Contract constitutes acknowledgment by the Purchaser of the validity or enforceability of any rights of

intellectual property claimed by the Supplier in relation to the Purchaser's designs, plans and/or specifications; the Purchaser's rights, titles interests in such elements remain unaffected.

16.1. The Supplier acknowledges that the Purchaser's Tools may be protected by the Purchaser's Intellectual Property Rights. Unless otherwise expressly agreed in writing between the Parties (and except as permitted by law), any reverse engineering of the Purchaser's Tools is prohibited, including, without limitation, observation, study, disassembly or testing aimed at reproducing them, creating equivalents or extracting therefrom technical information that can be used to produce them for oneself or for third parties.

16.2. The Purchaser's right to obtain injunctive relief and full compensation for damages in the event of a breach of Articles 16.1 and 16.2 above remains unaffected.

16.3. The Supplier declares and guarantees that it is the sole and exclusive legitimate owner and/or, in any case, that it can legitimately and freely dispose (to the extent necessary to fully perform the Contract) of all Intellectual Property Rights relating to the Goods; further guarantees that under no circumstances shall the use of the Goods by the Purchaser (including, without limitation, use in the Purchaser's production processes and/or subsequent resale, whether or not as part of a complex product) imply or result in the infringement of third party intellectual property rights. Without prejudice to the foregoing, the Supplier grants the Purchaser an exclusive, free, worldwide, irrevocable and transferable license, with the right to sublicense to Agrati Group companies and its customers, on all its Intellectual Property Rights relating to the Goods. The Supplier shall indemnify and hold harmless the Purchaser from any third-party claims, damages, costs or expenses (including reasonable legal fees) for alleged or actual infringements of Intellectual Property Rights related to the Goods, undertaking at its own expense to procure the necessary licenses or to modify/replace the Goods to ensure full compliance.

16.4. The rights and obligations of the Parties referred to in this Article 16 shall survive even in the event of termination, cancellation, expiry and/or cessation, for any reason, of the relevant Contract.

**17. Right of inspection**

17.1. The Supplier shall, on reasonable terms and with reasonable notice, grant the Purchaser or any other third party designated by the Purchaser full access to its premises, books and records for the purpose of verifying compliance with the terms of the Contract or inspecting or taking inventory of the finished Goods, work in progress, raw materials, production processes and facilities, testing methodologies, and all work or other items to be supplied under the Contract. Furthermore, at the Purchaser's request, the Supplier shall ensure that its suppliers and subcontractors allow the Purchaser to carry out the same checks as above.

17.2. The Supplier shall retain all documentation relevant to the Contract and the Supplier's performance under the Contract for a period of not less than 10 (ten) years after the Purchaser's final payment.

**18. Confidentiality and protection of personal data**

18.1. Except for disclosure obligations imposed by Applicable Law, regulations or any other provision adopted by any competent authority, the Supplier undertakes to: *(i)* keep all Confidential Information strictly confidential and secret and not to disclose its content, in whole or in part, to any third party either during or after the termination, for any reason, of the Contract; *(ii)* treat Confidential Information with a high degree of diligence, which shall in no case be less than that which the Supplier uses for its own confidential information; *(iii)* not use and/or acquire the Confidential Information except as strictly necessary for the supply of the Goods and, in general, for the proper performance of the contractual obligations assumed by the Supplier under each Contract; *(iv)* not extract copies of any document relating to or containing Confidential Information without the Purchaser's written consent; *(v)* not use the Confidential Information in a manner prejudicial to the Purchaser; and *(vi)* ensure and make sure that any third party to whom any Confidential Information is disclosed for the purposes set out in the relevant Contract uses the Confidential Information in compliance with the obligations set out in these General Terms and Conditions. In the event that disclosure is mandatory due to provisions of Applicable Law and/or any order of a competent authority, the Supplier undertakes to make all reasonable efforts to agree with the Purchaser on the extent of disclosure needed so that such information is disclosed only within the limits strictly necessary to fulfil the obligation in question.

18.2. The confidentiality obligations referred to in this article shall also not apply to information that has been acquired by the Supplier independently and not as a result of (or in connection with the performance of) the relevant Contract and, in any case, not in violation of the obligations set forth herein.

18.3. No communication to the public, including, without limitation, announcements or advertisements, relating to each Contract or any transaction contemplated therein may be made by the Supplier unless agreed in advance in writing with the Purchaser.

18.4. The confidentiality obligations referred to in this article shall remain in force for the entire duration of each Contract and for a period of 5 (five) years following its termination, for any reason whatsoever.

18.5. The Parties mutually consent to the processing of their respective personal data, which they undertake to process in accordance with the principles and provisions of EU Regulation No. 679/2016 and Legislative Decree No. 196/2003. Each Party shall act as an Independent Data Controller with regard to the processing of any personal data that may be processed in relation to each Contract.

**19. Insurance**

19.1. Without prejudice to its responsibilities under each Contract, and in compliance with all Applicable Law, the Supplier shall, at its own expense, take out with leading insurance companies, and maintain in force for the entire duration of each Contract, all appropriate insurance policies to cover the risks associated with the performance of each Contract, including insurance policies to cover risks arising from civil liability and product liability. In particular, the required policies must include at least:

i. insurance to cover third-party risks arising from product liability, with limits of at least €10,000,000 (ten million) per claim/year, with worldwide coverage (including the USA and Canada);

ii. insurance covering risks arising from recall campaigns, with extended coverage including, but not limited to, repair and replacement costs, with maximum coverage of at least €5,000,000 (five million) per claim/year, with worldwide coverage (including the US and Canada).

19.2. The Supplier shall provide proof of the conclusion of the above policies and payment of premiums for the entire duration of the relevant insurance period no later than 30 (thirty) days from the expiry of the previous certificate in force, undertaking as of now not to make any changes to the policies without the prior written consent of the Purchaser. The Supplier undertakes to report any claim within the terms and conditions set out in the relevant insurance policy. The Supplier shall immediately notify the Purchaser of any change, suspension or cancellation for any reason of the coverage or scope of the insurance policies taken out under the Contract.

19.3. For the sake of clarity, it is understood that the Supplier undertakes to indemnify the Purchaser against any and all claims for damages,

liability, costs and expenses arising directly or indirectly from events covered by the insurance policies but which, for any reason, are not indemnified, or from events that are not covered by the policies themselves.

19.4. If the Supplier does not have adequate insurance coverage in accordance with the provisions of this article, without prejudice to the Purchaser's rights under the Applicable Law and this Contract, it may express to the Purchaser its willingness to adhere to the "Supplier Insurance Pool" made available by the Purchaser itself under the terms and conditions set forth therein.

**20. Use of Trademarks and Distinctive Signs**

20.1. The Supplier undertakes not to use the Purchaser's distinctive signs in any way without the Purchaser's prior written authorization. In the event of a breach, the Supplier shall immediately cease all use, remove all references from its materials and indemnify and hold harmless the Purchaser from any damage, cost and/or expense (including reasonable legal fees) resulting therefrom, without prejudice to any other remedy provided for by law or the Contract.

**21. Special warnings and instructions**

21.1. The Supplier shall (*i*) inform the Purchaser in writing and in advance of any material or substance incorporated in the Goods that is, or may reasonably become, a hazardous material under Applicable Law (including PFAS), prior to supply and, subsequently, without delay in the event of any changes, providing all information necessary for compliance with any provisions of the Applicable Law; (*ii*) comply with Applicable Law and the Purchaser's requirements/procedures in force regarding the transport, labelling, treatment, registration, notification, prohibitions, disposal and recyclability of the Goods, raw materials and other substances contained therein, as well as containers and packaging; (*iii*) promptly provide, in the form and detail requested, the formula and list of all components (together with the relevant percentages), information on the content and origin of raw materials and substances (including conflict minerals), keeping such information up to date; (*iv*) upon request, certify in writing compliance with environmental, health and safety requirements; (*v*) in the event of non-compliance, immediately notify the Purchaser, indemnifying and holding it harmless from any liability, claims, costs and expenses, and bearing all costs necessary to achieve and maintain compliance with the Applicable Law.

**22. Export controls, sanctions, customs and origin**

22.1. The Supplier shall comply with all export control and sanctions laws and regulations (EU, US and any other applicable jurisdiction), adopting adequate screening measures and refraining from conduct that could result in violations for itself or the Purchaser. For the Goods supplied, the Supplier shall provide the information necessary for compliance, including export classifications, customs codes and dual-use status, and shall keep such information up to date. The Supplier shall provide certificates of origin (preferential and non-preferential) and any additional customs documentation required, shall guarantee the accuracy of the information and shall notify without delay any investigations by the authorities that may affect the supply.

**23. General Provisions**

The Contract constitutes the entire agreement between the Parties on the subject matter and supersedes any previous written or oral agreement. Any amendment/addition shall only be valid if in writing, with express reference to this Contract and signed by the Parties or their authorized representatives. An invalid/voidable/unenforceable clause shall not affect the others; the Parties shall negotiate in good faith a replacement that preserves the original intent. The Parties act as independent companies: the Contract does not create an association or joint venture nor does it confer to the Supplier any powers to represent the Purchaser, unless otherwise specified in writing. Any tolerance or delay in exercising rights does not constitute a waiver, applies only to the specific case and does not preclude the subsequent (even partial) exercise of rights, powers or faculties under the Contract.

23.1. **Taxes, duties and charges**

All taxes, duties and charges, present or future, relating to the Contract shall be borne by the Supplier. In the event of tax withholding applicable to payments made by the Purchaser to the Supplier, such withholding shall reduce the amount paid by the Purchaser to the Supplier and shall be borne by the Supplier. The Purchaser shall not be liable for any interest or penalties associated with the Supplier's failure to collect or pay any applicable tax.

23.2. **Communications**

Any notification or communication between the Parties in relation to the Contract shall be made in writing and shall be deemed to have been effectively delivered if sent by traceable means to the registered office of the company. Any change of address shall be promptly communicated in the same manner; failing this, communications sent to the original addresses shall remain valid.

23.3. **Assignment of the Contract**

The Supplier may not assign the Contract, in whole or in part, nor subcontract or use third parties without the prior written consent of the Purchaser, which shall in any case fully liable to the Purchaser. The Supplier guarantees the compliance of its authorized suppliers/subcontractors and, upon request, shall assign to the Purchaser any rights, claims or remedies against them. Such assignment shall not make the Purchaser the successor of the Supplier or liable for the acts/omissions of the Supplier or the Goods already supplied.

23.4. **IT Security**

The Supplier guarantees that it has implemented and maintains adequate technical and organizational measures to protect the Purchaser's confidential data and information from unauthorized access, loss, alteration or disclosure. The Supplier shall promptly notify the Purchaser of any security incident, cyber attack, loss or data leak and shall cooperate in the management, mitigation and recovery thereof. The Purchaser may carry out periodic audits/assessments, including through third parties, to verify compliance and effectiveness. The Purchaser is TISAX certified; these obligations are also intended to ensure compliance with the requirements associated with such certification.

23.5. **Governing law and jurisdiction**

The Contract shall be governed by and construed in accordance with Italian law, with the exclusion of its conflict of laws provision. Any dispute arising in connection with each Contract, including its interpretation, performance or termination, shall be referred to the exclusive jurisdiction of the Court of Milan.

# LOCAL ADDENDUM FOR THE PEOPLE'S REPUBLIC OF CHINA

This Local Addendum for the People's Republic of China (PRC) shall be applicable to all Contracts entered into by any Chinese entity of the Agrati Group. In such a scenario, this Local Addendum forms an integral part of the Contract and supplements and, to the extent provided herein, amends the Agrati General Terms and Conditions. Unless otherwise defined herein, capitalized terms undefined in this Local Addendum shall have the same meaning as assigned in the General Terms and Conditions.

Article 1 – Amendments to Article 12 (Guarantees) of the General Terms and Conditions

Section 12.2 shall be amended as follows:

"(ii) that the Goods shall be free from any defects, including, by way of example only, any defects in design, materials or workmanship (including aesthetic defects) that render them, even only in part, unsuitable for their specific intended use or which appreciably diminishes their value, for a period (the "**Warranty Period**") which shall commence on the date of receipt of the Goods (including, for clarity, any Goods that may replace the defective Goods originally supplied by the Supplier) by the Purchaser and which shall end, unless otherwise agreed in writing by the Purchaser and the Supplier and to the extent allowed under Applicable Law, on the later of: (a) 5 (five) years from the date of receipt of the Goods by the Purchaser; (b) the date of expiry of any warranty period provided for by Applicable Law for the Goods; (c) the date of expiry of any warranty relating to the Goods given by the Purchaser to its end customer; (d) the date of expiry of any warranty given by the Purchaser's end customer to third parties with reference to products incorporating the Goods. The Parties acknowledge and agree that the Purchaser reserves the right to report any defects to the Supplier within 30 (thirty) days from the date on which the Purchaser becomes aware that the defect is attributable to the Supplier, unless otherwise agreed between the Parties;"

Article 2 – Amendments to Article 23 (General Provisions) of the General Terms and Conditions

Section 23.5 shall be deleted in its entirety and replaced with the following:

"The Contract shall be governed by and construed in accordance with the laws of the People's Republic of China, with the exclusion of its conflict of laws provision. Any dispute arising out of or in connection with the Contract, including its interpretation, performance or termination, shall be submitted to the Hong Kong International Arbitration Centre (HKIAC) for arbitration in accordance with its rules in effect at the time of submitting the claim. The seat of arbitration shall be Hong Kong. The arbitration proceedings shall be conducted in English. The arbitral award shall be final and binding upon both Parties."

Article 3 – Replacement of References to Italian Law within the General Terms and Conditions

All references to Italian law and EU regulations contained in the General Terms and Conditions shall be deleted and replaced with the corresponding provisions of the laws of the People's Republic of China as set forth below:

(a) Section 4.5: Reference to Article 1384 of the Italian Civil Code shall be replaced by the corresponding provisions of the PRC Civil Code on penalties and liquidated damages (Article 585);

(b) Section 10.1: References to Articles 1453 and 1454 of the Italian Civil Code shall be replaced by the corresponding provisions of the PRC Civil Code on termination of contract (Articles 563, 565, and 577);

(c) Section 10.2: Reference to Article 1456 of the Italian Civil Code shall be replaced by the corresponding provisions of the PRC Civil Code on agreed termination rights (Article 562);

(d) Section 11.1: Reference to Article 1467 of the Italian Civil Code and the Supplier's express waiver thereof shall be deleted in its entirety. The provisions of the PRC Civil Code on force majeure (Article 180) and change of circumstances (Article 533) shall apply;

(e) Section 12.1(iii): Reference to Italian Legislative Decree No. 231 of 2001 is not applicable and shall be deleted in its entirety. The Supplier's obligations shall be governed by applicable PRC laws and regulations, including but not limited to the Anti-Unfair Competition Law and the Criminal Law of the PRC;

(f) Section 12.2(iii): Reference to Article 1512 of the Italian Civil Code shall be replaced by the corresponding provisions of the PRC Civil Code on quality guarantees (Articles 509 and 577);

(g) Section 18.5: References to EU Regulation No. 679/2016 and Italian Legislative Decree No. 196/2003 shall be replaced by the Personal Information Protection Law of the PRC and other applicable data protection laws and regulations.