GENERAL TERMS AND CONDITIONS OF PURCHASE FOR
LONATI S.P.A. – SANTONI S.P.A.

1. Introduction

1.1 These General Terms and Conditions of Purchase (hereinafter the "General Terms and Conditions") govern any and all purchase orders for goods, works or services (hereinafter "Order" or "Orders") which Lonati S.p.A. and Santoni S.p.A. (hereinafter jointly referred to as the "Purchaser") may place from time to time with the Supplier or Sub-supplier (hereinafter jointly referred to as the "Supplier").

1.2 Any general terms and conditions of the Seller shall never apply, even in part, unless they are expressly accepted in writing by the Buyer. To this end, any conduct on the part of the Buyer that might be construed as acceptance shall not be relevant. Consequently, any terms and conditions referred to by the Seller, even in writing, in any documentation and/or commercial communication relating to or connected with any Offer sent, or at any other stage of the contractual negotiations, shall have no validity. In this regard, the performance, even partial, of the Offer by the Buyer or any other fulfilment on their part shall not be valid and cannot be interpreted as tacit or implied acceptance of any general terms and conditions of contract that have not been explicitly signed by the Buyer.
It is, however, understood that the performance, even partial, of the Offer by the Seller shall be deemed and may be interpreted as tacit or implied acceptance of these GTC, even if not expressly signed by the Seller.

1.3 Any document or contract signed by the Seller and the Buyer for any purpose following the conclusion of the Contract shall not amend nor shall it be deemed to derogate from these GTC and the concluded Contract, unless expressly stated otherwise.

1.4 In the event of a conflict between the special terms of purchase agreed in the Order (hereinafter the "Special Terms") and these General Terms and Conditions, the Special Terms shall prevail.

2. Orders

2.1 Each Order shall be issued by the Purchaser after the parties have agreed in writing (e.g. by email, ordinary post, minutes of negotiations, etc.) on the Special Conditions.

2.2 The Order shall only become irrevocable once it has been received by the Purchaser, duly signed by the Supplier to confirm acceptance.

2.3 Orders and/or their fulfilment may not be assigned by the Supplier to third parties, even in part. Should the Supplier need to engage third parties for specific work, such subcontracting must be authorised in writing by the Purchaser in advance. It is understood that the Supplier shall in all cases also be liable for the acts of such auxiliary third parties and their employees, and jointly and severally with them.

2.4 Where the Supplier has been authorised to subcontract to third parties the partial or total performance of the Order, the Supplier must extend the General and Specific Terms and Conditions of the Order to such third parties in writing, sending a countersigned copy to the Purchaser.

2.5 All correspondence relating to the Order must always refer to the Order number and must always be addressed to: Lonati Group Purchasing Services Centre, Via Francesco Lonati, 3 – 25124 Brescia (Italy), email: purchase.department@lonatigroup.com.
The corresponding invoices must be sent to the company that placed the Order:

- Lonati spa: via Francesco Lonati, 3, 25124 Brescia (Italy), c/o Accounts Payable, email: account.department@lonatigroup.com
- Santoni SpA: Via Carlo Fenzi, 14, 20135 Brescia (Italy), c/o Accounts Payable, email:accounting.santoni@santoni.com

3. - Amendments

3.1 The supply relating to any Order may, during its execution, be subject to quantitative and/or qualitative changes ordered by the Purchaser. In such cases, the Supplier undertakes to adapt the characteristics of the goods or services ordered in accordance with the requirements and instructions provided by the Purchaser. The Purchaser may also request, without having to give reasons, the suspension of production and/or supply, whether temporary or permanent, in whole or in part.
3.2 Should the changes requested by the Purchaser result in a significant increase in costs or lead times for the Supplier, the Parties undertake to negotiate in good faith an adjustment to the Price and/or the delivery terms.
3.3 No changes to the content of the Order may be made by the Supplier without the prior written authorisation of the Purchaser.

4. Confidentiality, information security and data protection

4.1 During the execution of Orders and following the termination of the commercial relationship with the Purchaser, the Supplier undertakes to keep strictly confidential and not to disclose, use or otherwise make available to third parties, without the Purchaser's prior written consent, any data, information, technical documentation, drawings, specifications, software, models, and commercial, organisational, production, financial and management information, as well as any other information or knowledge relating to the Purchaser's know-how of which it becomes aware, directly or indirectly, as a result of the contractual relationship.
4.2 The Supplier shall use Confidential Information exclusively for the fulfilment of the Orders received and shall take all necessary technical, organisational and security measures to ensure that such information is protected against unauthorised access, loss, alteration, destruction or disclosure.
4.3 The Supplier is expressly prohibited from carrying out reverse engineering, decompilation, disassembly, functional analysis, reproduction or any other activity aimed at reconstructing or understanding the Purchaser's products, components, software, firmware, technical documentation or production processes, unless the Purchaser has given its prior written authorisation.
4.4 It is also prohibited to use data, documentation, drawings, images, software, source codes, databases, confidential information or any other content belonging to the Purchaser for the training, feeding, refinement or use of artificial intelligence systems, machine learning or other machine learning technologies, whether the Supplier's own or those of third parties, unless prior written authorisation has been obtained.
4.5 The Supplier undertakes to maintain an adequate information security management system, adopting state-of-the-art cybersecurity measures suitable for ensuring the confidentiality, integrity, availability and traceability of the information processed, as well as for preventing unauthorised access, cyber-attacks, malware, ransomware and any other threat to the security of the information.
4.6 Any security incident, *data* breach, unauthorised access or event likely to compromise the Purchaser's information must be reported in writing without delay and in any event within 24 hours of

discovery, specifying the nature of the event, the information involved, the measures taken and the corrective actions undertaken.
4.7 Where the Supplier processes personal data on behalf of or in the interests of the Purchaser, it undertakes to comply fully with Regulation (EU) 2016/679 (GDPR) and the applicable national legislation on the protection of personal data, adopting all the technical and organisational measures required by current legislation.
4.8 Upon termination of the contractual relationship, or upon simple request by the Purchaser, the Supplier must return without delay all documentation and media containing Confidential Information, as well as permanently delete any copies it may hold, subject to any retention obligations provided for by law, and certify in writing that such return or destruction has taken place.
4.9 The obligations set out in this article shall remain in force for a period of ten (10) years from the termination of the contractual relationship, except where the Confidential Information constitutes trade secrets within the meaning of Legislative Decree No. 63/2018, in which case the confidentiality obligations shall continue to apply for as long as such information retains its confidential nature.

5. - Procedures for the execution of Orders

5.1 The Supplier shall be responsible for carrying out the Orders, organising the necessary resources at its own expense and managing the work at its own risk. The Supplier shall therefore bear, amongst other things, the costs and expenses relating to any personnel employed, to the equipment and tools used, to the materials necessary for the fulfilment of the Order, including consumables, and to anything else necessary for the fulfilment of the Orders, including dispatch and the related transport and packaging costs.
5.2 The Supplier declares that it possesses the expertise, technical and organisational capacity, workforce and necessary equipment, as well as the adequate financial capacity to fulfil each Order accurately, to a high standard and within the agreed timeframes; in particular, the Supplier declares that, in relation to the performance of Orders, it shall operate whilst retaining full autonomy, discretion and responsibility in relation to the content of the obligations arising for it from the Orders themselves, including pursuant to Articles 1655 et seq. of the Civil Code.
5.3 The Supplier must organise its operations in such a way that the fulfilment of supplies does not result in delays, reductions in production capacity or any direct or indirect detriment to the fulfilment of the Purchaser's Orders.
Should the Supplier become aware of circumstances that may compromise compliance with delivery deadlines or the continuity of supply, it must promptly inform the Purchaser, stating the causes of the event and the measures taken to limit its effects.
This is without prejudice to the Purchaser's right to request, for specific supplies or strategic components, the adoption of dedicated measures relating to production capacity or procurement, to be governed by a separate written agreement between the Parties.
5.4 Goods delivered for processing on a contract-manufacturing basis are and remain the property of the Purchaser. In accordance with the law, the Supplier is responsible for the safekeeping of the goods, for verifying the quantities stated on the delivery documents and for ensuring their suitability. The goods must be inspected by the Supplier within 24 hours of delivery; the Supplier must not commence processing unless it is satisfied that it has received from the Purchaser all the necessary documentation— r technical—and instructions. In such a case, the Supplier must immediately notify the Purchaser, who shall then provide any missing instructions.

5.5 Without the Purchaser's express written authorisation, the Supplier may not retain in stock any components delivered to the Purchaser on a processing basis; such components must therefore be returned together with the final delivery in settlement of the Order or in accordance with the instructions provided by the Purchaser

6. Consideration and terms of payment

6.1. The Price shall be deemed fixed and unchangeable for delivery on a "DDP Buyer's Works" basis (Brescia – Incoterms 2020), including costs for stowage, packaging and export, as well as all costs incurred prior to delivery of the goods.

6.2 Any price increases, for whatever reason, shall be deemed valid and binding on the Buyer only if accepted in writing by the Buyer in advance.

6.3 Payment of the Price must be made in accordance with the terms set out in the special conditions.

6.4 It is understood that, in the event of a breach of contract by the Supplier at any time during the fulfilment of any of the Orders, the Purchaser reserves the right to suspend fulfilment of its payment obligation pursuant to Article 1460 of the Civil Code; however, under no circumstances shall payment of the Order constitute acceptance of the supply or a waiver of the right to raise objections regarding faults, defects or anomalies.

6.5 Should the Supplier be liable to pay the Purchaser the penalty and/or compensation provided for in Articles 7.11, 9.4 and 12.1 below, the Purchaser shall be entitled to deduct such amount from the aforementioned payment.

6.6 The Purchaser shall be entitled to withhold payment for defective or missing products until the defective products have been replaced or repaired and/or the missing products have been supplied.

6.7 Payments will always be made in the legal tender currently in force in Italy.

6.8 The Transport Document must be completed in accordance with current tax legislation; it must always clearly state the Order number, the code and the description of the goods, reproducing in full those used by the Order itself. In the case of goods intended for third parties, a copy of the consignment note, signed by the carrier, must be sent together with the invoices. For carriage paid to destination, this copy must be the one signed by the 'third-party' consignee. Invoices must also be subject to the tax treatment in force at the time the transaction is carried out or to any specific treatment required in the text of the Order. Should the documentation submitted prove to be incomplete or otherwise not in accordance with the General and Specific Terms and Conditions of the Order, payment of the relevant invoices will only be made upon receipt of the required documentation.

6.9 The assignment of receivables, special collection mandates or other forms of delegation of payment are not permitted without the prior and express authorisation of the Purchaser. As the order forms part of the documentary evidence of the claim referred to in Article 1262 of the Civil Code, the assignee is deemed to be aware of this clause at the time of the assignment. Consequently, it is also enforceable against the assignee pursuant to paragraph II of Article 1260 of the Civil Code.

7. Quality, guarantee of conformity and liability

7.1 For the purposes and effects of this contract, the term 'defect' means a failure to meet one or more specified requirements, whether mandatory or implied by the nature of the product.

7.2 The Supplier shall carry out all the tests and checks necessary to establish the reliability and suitability of the products supplied for their intended uses, as well as their compliance with Italian and foreign technical and legal requirements.

7.3 The Supplier shall also be required to inform the Purchaser of any technical innovations likely to improve the quality and/or characteristics of the products ordered, as well as any technological innovations that may affect the quality of such products.

7.4 The Supplier guarantees the quality and quantity of the goods supplied, whether before or after their use in production, during or after their assembly on the Purchaser's products, and after the latter have been placed on the market.

7.4-bis Any inspection carried out by the Purchaser at the time of delivery is of a purely documentary, quantitative and visual nature and does not constitute acceptance of the supply nor a waiver of rights arising from faults, defects, non-conformities or lack of conformity, even if these are hidden or detectable only during the processing, assembly, testing, installation or end use of the product. This is without prejudice to the Purchaser's right to raise a complaint at any time, within the time limits set out in this contract and in accordance with applicable legislation, regarding any defects or non-conformities discovered subsequently.

7.5 The products must be finished to specification and delivered in accordance with the agreed characteristics, labelled and deburred, unless otherwise agreed in writing, and must include the following details: order number, job order number, drawing number, part name, quantity and the Supplier's company name.

7.6 The products supplied must be accompanied, where required, by a dimensional certificate confirming that all dimensions have been verified, with particular reference to those subject to tolerances, by a certificate of chemical analysis and conformity in accordance with the applicable mandatory technical regulations, as well as by catalogues, instruction manuals and the CE declaration where required by current regulations.

7.7 The Supplier shall be liable for defects in the products and for any faults arising, even indirectly, from them; the Supplier shall also be liable for defects and faults in materials, software, semi-finished products, components and any other product, whether or not incorporated into the products.

7.8 In the case of products shipped unassembled, any warranty shall in any event remain valid even if assembly at the Purchaser's premises is not carried out directly by the Supplier or at least under the supervision of its specialist staff.

7.9 This warranty shall take effect from the date of delivery of the products to the Purchaser's premises and shall cease upon the expiry of a period of 24 months following the date of such delivery.

The warranty for replaced or repaired parts shall cease 24 months after the date of their replacement or repair. This is without prejudice to the Supplier's right to raise objections in order to verify whether the defect or non-conformity reported by the Purchaser is attributable to the Supplier. In any event, notwithstanding any objection raised, the Supplier shall be obliged to take action in accordance with the provisions set out in clause 7.14 below. It is, however, understood that the Purchaser shall only be liable for defects attributable to the fault of its employees and agents, as established by a court of law.

7.10 The Purchaser must, on pain of forfeiture, report any lack of conformity or defect in the products, whether apparent or hidden, to the Supplier, indicating their general nature, within sixty (60) days of discovery.

The same limitation periods set out herein apply to the notification of any claims or rights of third parties relating to the products.

7.11 In the event of the Supplier's failure to fulfil its obligation to deliver compliant products, the

Purchaser may avail itself of the remedies provided for in Articles 45 to 52 and 74 to 77 of the United Nations Convention on Contracts for the International Sale of Goods (Vienna Convention), without prejudice, in any event, to the right to full compensation for all damages suffered, including actual loss and loss of profit, as well as any costs and expenses incurred as a result of the non-conformity of the products, including, by way of example and without limitation, the costs of recall, withdrawal from the market, replacement, repair, complaint handling, transport, disposal and any further damage directly or indirectly attributable to the Supplier's breach.

7.12 The Supplier shall also be liable for damage caused by the products to persons or property (*product liability*), provided that such damage is attributable to defects in the manufacture or design of the products for which the Supplier is responsible.

7.13 The warranty referred to in this article does not supersede or replace the warranties or liabilities provided for by law under Article 1490 et seq. of the Civil Code.

7.14 Should any issues arise at any time regarding the presence of faults, defects, lack of quality or non-conformity in the goods supplied under this agreement, the Purchaser shall be entitled to suspend payment of the Price until the Supplier has, at its own expense, carried out remedial work free of charge to ensure that the fault has been rectified and/or the conformity of the product(s) in question has been restored. The repair, replacement and/or supplementation of the products must take place within the strict deadline set from time to time by the Purchaser

The latter, at its sole discretion, in the event of a particularly urgent situation which does not allow time to await maintenance or replacement by the Supplier, or where the item supplied cannot be repaired and/or replaced due to technical and/or commercial incompatibility, may directly remedy the defect and/or restore the conformity of the product supplied and/or replace it, with the costs to be borne by the Supplier.

In the event that the Supplier is late and/or fails to meet the quality standards required by the contract, the Purchaser reserves the right at any time to require the presence of its own inspector at the Supplier's premises, with the associated costs to be borne by the Supplier.

Should the defect be discovered only during the final inspection and therefore at the end of the production process, the Supplier shall be liable to pay a further penalty equal to 20 per cent (twenty per cent) of the list price charged by the Purchaser in force at that time for that product.

7.14-bis All costs, both direct and indirect, incurred by the Purchaser as a result of defects, non-conformities or delays attributable to the Supplier shall be borne in full by the latter. By way of example and without limitation, such costs include the selection and sorting of materials, extraordinary inspections, rework, product replacement, production line downtime and loss of productivity, urgent transport and special deliveries, product recalls from the market, interventions at end customers' premises, disposal of defective materials, costs incurred for urgent procurement from third parties, any further direct or consequential loss suffered by the Purchaser.

7.15 The Purchaser reserves the right, in all cases, to carry out inspections of the goods through its own representative, reporting any anomalies found and thereby reserving the right to approve the supply.

In the event that the Purchaser is sued for civil or contractual liability, or is accused of breaching legal provisions as a result of the defectiveness, non-conformity and/or unreliability of the products supplied, the Supplier hereby undertakes to indemnify the Purchaser and to compensate the Purchaser for any damages it may suffer. The indemnity referred to in this article shall not apply where the defectiveness, non-conformity or unreliability of the products is attributable to technical specifications, drawings or binding instructions provided by the Purchaser and which cannot be amended by the Supplier.

7.16 Any certificate of testing, inspection, trial or verification of the products, or any other equivalent documentation issued to the Supplier, shall not in any way alter the warranty obligation imposed on the Supplier under this Article 7.
7.17 Each package shall be clearly marked or labelled with the following details: Destination – Purchase Order No. – Gross/net weight (kg) – Package No. – Purchaser's item code.

8. Audits and insurance

8.1 The Purchaser, its customers, Certification Bodies and the competent authorities shall have the right, subject to reasonable notice except in cases of urgency, to carry out audits, checks and inspections at the Supplier's premises and those of any subcontractors involved in the fulfilment of the Order, in order to verify the compliance of production processes, the quality system, technical documentation, product traceability and adherence to applicable contractual, regulatory and certification requirements. The Supplier undertakes to cooperate fully, to grant unrestricted access to the relevant premises, to the pertinent documentation and to the required records, and to ensure that the same rights are granted to its own subcontractors.
8.2 Throughout the duration of the contractual relationship and for the period during which the guarantee remains in force, the Supplier must maintain a valid insurance policy covering third-party liability and product liability, taken out with a leading insurance company.
At the Purchaser's request, the Supplier must provide a copy of the policy, the relevant payment receipts and any subsequent renewals.
The existence of insurance cover shall not in any way limit or reduce the Supplier's contractual or non-contractual liability towards the Purchaser.
8.3 The Supplier must ensure the full traceability of materials, components, production batches, raw materials and the relevant certificates of conformity, retaining the documentation for at least 10 years (or for such other period as specified in the Order or by applicable legislation) and making it available upon simple request by the Purchaser. Failure to produce the requested documentation within a reasonable period shall constitute a breach of contract.

9. Delivery

9.1 Unless otherwise agreed in the Special Conditions, deliveries shall be deemed to have been duly made at the Purchaser's premises in accordance with the delivery term "DDP Lonati/Santoni Brescia" (Incoterms 2020). Collection of the goods by the Buyer does not constitute acceptance. All materials ordered are, in fact, received subject to inspection of their condition, quality and quantity, as well as their conformity with the Order fulfilled.
9.2 The date of delivery of the goods to the Purchaser shall be the date stated in the Special Terms and Conditions of the Order. The delivery terms are deemed to be binding and essential, subject to the Purchaser's right to stipulate otherwise. Failure to comply with these terms shall entitle the Purchaser to cancel the entire Order or the unfulfilled part thereof, without being obliged to make an offer as provided for in Article 1517 of the Civil Code, without prejudice to the right to claim damages.
9.3 The risk of loss or damage to the goods, regardless of the return period, shall pass from the Supplier to the Purchaser immediately upon delivery of the goods to the latter. The Supplier shall be responsible for the packaging and for any loss or damage to the goods until the risk has passed. The Purchaser shall be released from its obligation to pay the price if the loss or damage to the goods occurred before the transfer of risk.

9.4 Delivery terms and schedules are binding and essential. Where, for reasons attributable to the Supplier, the products have not been delivered in a timely manner in accordance with the delivery schedule agreed in the Special Conditions, the Supplier shall be obliged to pay the Purchaser a penalty for such delay amounting to one per cent (1%) of the value of the unfulfilled Order for each week of delay, up to a maximum of 5 per cent, without prejudice in any event to the Purchaser's right to compensation for any further loss and the right to declare the immediate termination of the Order by means of a notice sent by registered letter with return receipt or certified email.
9.5 Payment of the penalty, which may be made by the Purchaser by setting it off against any claims it may have against the Supplier, shall not release the Supplier from its obligation to continue with the delivery of the products where required.
9.6 Where the delay in delivery is particularly serious, the Purchaser shall, at its discretion, in any event be entitled to procure the products ordered but not delivered within the agreed time limit from another source, at the Supplier's expense and risk, in accordance with Article 1516 of the Civil Code, without prejudice to the right to compensation for damages.
9.7 The Supplier must ensure that the products can be freely exported. Should administrative authorisations be required for export from the Supplier's country, the Supplier shall obtain such authorisations in order to avoid any delay in the dispatch and delivery of the products. Delays resulting from the time taken to obtain authorisations from the authorities in the Supplier's country shall under no circumstances be regarded as grounds justifying a postponement of the agreed delivery date.
9.8 In the event of partial deliveries, delays or the failure to make one or more deliveries, the Purchaser shall be entitled to terminate both the Order currently being fulfilled and the General Terms and Conditions in respect of past or future deliveries.
9.9 The Purchaser shall not be obliged to accept delivery of the products in the event of partial deliveries or whenever the products are delivered either before or after the agreed delivery date.
9.10 The Purchaser normally allows for a tolerance of 5 per cent on the delivery quantity, whether short or in excess, and in any event shall, at its discretion, accept the return of items delivered in quantities exceeding those ordered.
9.10 Where the Order specifies the name of the carrier and/or forwarding agent and the Supplier fails to comply with this requirement, the Supplier shall reimburse the Purchaser for any costs incurred as a result of such failure. The release of the goods is subject to inspection. In the case of delivery free at destination, the quantity and weight accepted shall be those recorded on arrival at the Purchaser's premises.

10. Know-how and intellectual and industrial property rights

10.1 All intellectual and industrial property rights relating to technical documentation, drawings, models, software, firmware, databases, moulds, equipment, prototypes, specifications, know-how, source codes, algorithms, AI models, digital documentation and any other material or information supplied by the Purchaser or developed by the Purchaser in the course of fulfilling the Orders shall remain the exclusive property of the Purchaser. The Supplier acquires only a limited and non-exclusive right of use, strictly necessary for the fulfilment of the Orders.
10.2 Should the Supplier create an invention in connection with the work carried out, all documentation necessary or useful for its implementation in production shall be made available to the Purchaser. With regard to such inventions and the relevant industrial property rights, the rights associated with an irrevocable, worldwide, royalty-free, perpetual and transferable licence for the

manufacture, sale and use thereof shall be deemed automatically granted to the Purchaser.
10.3 Where requested by the Purchaser, the Supplier undertakes to affix the Purchaser's trade mark to the goods ordered, without this constituting the granting of a licence to use the said trade mark.
10.4 With the exception of the Purchaser's industrial property rights, the Supplier warrants that the manufacture, use and marketing of the products supplied do not infringe any third parties' industrial property rights, undertaking to resolve promptly any claims by third parties and, in any event, to indemnify the Purchaser against such claims and protect the Purchaser from any action likely to prevent the free production, sale and marketing of the Purchaser's products
10.5 Where the Order relates to machinery, equipment or electronically operated devices, it is understood that the Supplier must also always provide, included in the Price, the source code, technical documentation, updates and credentials, as well as the hardware and software (both operating and management systems) with the relevant user licence, unless otherwise agreed.

11. Force majeure

11.1 Should either party be prevented from fulfilling the Orders and obligations arising from the General Terms and Conditions due to force majeure, such as war, a major fire, floods, hurricanes, earthquakes or other similar events, the deadline for fulfilling the aforementioned obligations shall be extended for a period equivalent to the duration of the effects of the aforementioned events
11.2 Should the event of force majeure persist for more than 5 (five) weeks, the other party may withdraw from the Order and the General Terms and Conditions.
11.3 No act by public authorities and/or local authorities that may restrict or prohibit the services to be provided by the Supplier in relation to any Order and/or the General Terms and Conditions shall be considered a force majeure event for the purposes of this article.
11.4 The defaulting party must promptly inform the other party by email or certified email of the force majeure event.

12. - Breach, withdrawal and termination

12.1 In the event of a breach of contract by the Supplier in relation to the obligations incumbent upon it, including in particular those set out in Articles 7, 8, 9, 10 and 15, or in the event of its bankruptcy or subjection to other insolvency proceedings, the Purchaser shall be entitled to declare the current Orders and the General Terms and Conditions terminated by means of written notice to the Supplier by registered letter with acknowledgement of receipt or certified email, or by email, without prejudice in any event to the Purchaser's right to compensation for damages arising from the Supplier's breach.
12.2 The Purchaser shall be entitled to withdraw, by giving written notice via email, registered letter with acknowledgement of receipt or certified email, at any time from the General Terms and Conditions, as well as from all Orders concluded under the General Terms and Conditions, whilst they are being fulfilled.
12.3 The Purchaser shall also be entitled to amend, cancel or suspend any Order in all cases where its own customers amend, reduce, cancel or suspend the orders placed with the Purchaser. In the event of any amendment, cancellation or suspension of Orders, the Supplier shall be entitled only to reimbursement for those Orders already fulfilled and to the extent of such fulfilment, based on the progress of the work as ascertained and accepted by the Purchaser, and no liability may be attributed to

the Supplier.

13. - Employer's responsibilities

13.1 Where required, the Supplier declares and undertakes to ensure that all staff employed by it for the fulfilment of Orders are duly registered in its Single Employment Register.

13.2 Furthermore, such staff shall be covered, in accordance with the legislation in force at the place of work, by insurance against accidents at work and occupational diseases, by the National Health Service and by any other form of assistance and social security, and the Purchaser is hereby released from any and all liability in this regard.

14. Code of Ethics, Compliance, Anti-Corruption and Sustainability

14.1 The Purchaser bases its activities on the principles of legality, fairness, integrity, transparency, sustainability, the protection of human rights, safety, quality, and social and environmental responsibility. Compliance with these principles is an essential requirement for the establishment and maintenance of the contractual relationship with the Supplier. This article forms an integral and substantial part of these General Terms and Conditions and of each Order.

14.2 The Supplier declares and warrants that it operates in full compliance with the laws, regulations and provisions applicable in the country in which it carries out its business, as well as with the European and international legislation applicable to the supply, adopting appropriate organisational procedures to ensure constant compliance.

14.3 The Supplier declares that it is aware, where applicable, of the principles contained in the Organisation, Management and Control Model and the Code of Ethics adopted by the Purchaser pursuant to Legislative Decree No. 231 of 8 June 2001, and undertakes to ensure that its conduct in the execution of Orders complies with them, whilst also adopting appropriate measures to prevent the commission of the predicate offences referred to in that decree.

14.4 The Supplier undertakes to comply with the applicable legislation on the prevention of corruption, bribery, the trading of undue influence, money laundering and the financing of terrorism.

The Supplier, its directors, employees, collaborators, consultants and subcontractors are prohibited from promising, offering, authorising or paying, directly or indirectly, money, goods, benefits or other undue advantages to public officials, public service employees or private individuals for the purpose of obtaining undue advantages or influencing decisions.

14.5 The Supplier guarantees respect for fundamental human rights and the core conventions of the International Labour Organisation (ILO), ensuring working conditions that comply with applicable legislation.

In particular, the Supplier undertakes to guarantee equal opportunities and the absence of discrimination, to protect the health, safety and dignity of workers, to prohibit any form of forced labour, exploitation, human trafficking and child labour, to ensure remuneration in accordance with current legislation and to respect, where applicable, freedom of association and the right to organise.

14.6 The Supplier undertakes to take all necessary measures to ensure adequate levels of health and safety in the workplace and to pursue continuous improvement in its environmental performance through the reduction of environmental impacts, the efficient use of natural resources and responsible waste management.

The Purchaser may require the maintenance of management systems certified to the ISO 14001, ISO 45001 or equivalent standards, or compliance with such standards.

14.7 The Supplier guarantees compliance with applicable legislation regarding export controls, dual-use goods, materials intended for the defence and aerospace sectors, embargoes, international economic sanctions and trade restrictions.
The Supplier declares that it is not subject to any restrictive measures incompatible with the performance of the supply and undertakes to notify the Purchaser promptly of any change in its status.
14.8 The Supplier undertakes to select, qualify and monitor its subcontractors in accordance with criteria consistent with the principles of this article, imposing equivalent obligations on them, whilst remaining fully responsible for their actions in all circumstances.
14.9 The Supplier undertakes to put in place adequate systems for reporting breaches of the law, the Code of Ethics and the principles of corporate integrity, ensuring the confidentiality of the whistleblower and prohibiting retaliation. Should the Supplier become aware of any facts likely to cause harm to the Purchaser or otherwise relevant to the fulfilment of the Order, the Supplier shall promptly notify the Purchaser thereof.
14.10 The Purchaser may verify compliance with the obligations set out in this article by means of requests for documentation, compliance questionnaires, audits or inspections at the Supplier's premises and, where necessary, at the premises of the relevant subcontractors, subject to reasonable notice, except in cases of particular urgency.
The Supplier undertakes to cooperate fully and to make the documentation and information reasonably requested available without delay.
14.11 Any breach of the obligations set out in this Article constitutes a material breach of contract and entitles the Purchaser, subject to prior written notice, to suspend any outstanding Orders or to terminate the contract in accordance with Article 1456 of the Civil Code, without prejudice to the right to compensation for any further damages.
14.12 The Supplier undertakes to conduct its business in accordance with the principles of business ethics, integrity, transparency, sustainability and social responsibility, adopting appropriate control and risk management procedures throughout the entire supply chain.
To this end, the Supplier undertakes, where applicable, to implement due diligence procedures in respect of its own suppliers and sub-suppliers, to prevent the use of materials or components sourced from supply chains involved in human rights violations, forced labour, child labour or other serious violations of internationally recognised principles, to ensure compliance with applicable legislation on the responsible sourcing of raw materials and *conflict minerals*, and to provide the Purchaser, upon request, the necessary documentation to demonstrate their traceability, to take appropriate measures to prevent the introduction into the supply chain of counterfeit or non-compliant products, components or materials, to pursue continuous improvement in its environmental, social and governance (ESG) performance, cooperate with the Purchaser in gathering the information necessary to fulfil regulatory, sustainability and certification obligations, or those arising from requests by customers, the competent authorities or certification bodies.
The Supplier shall promptly notify the Purchaser of any circumstances likely to compromise compliance with the obligations set out in this article.
14.13 The Supplier undertakes to cooperate with the Purchaser in processes aimed at the continuous improvement of quality, including in accordance with the requirements of ISO 9001, product safety, sustainability and supply chain reliability, by participating, where required, in audits, performance assessments, supplier development programmes and the implementation of the necessary corrective and preventive actions.

The Supplier further undertakes to pursue the continuous improvement of its production and organisational processes and its management system, adopting the applicable best industrial practices.

15. – Additional requirements for suppliers in the aerospace and defence sectors

15.1 For the entire duration of the Order, the Supplier guarantees that it will maintain a Quality Management System compliant with the EN/AS/JISQ 9100 and/or EN/AS/JISQ 9120 standard. Should the Supplier not hold the relevant certification, it must give prior notice to the Purchaser and demonstrate that it has adopted an equivalent quality system, as well as a plan aimed at obtaining certification, should this be requested by the Purchaser or the end customer.
15.2 The Purchaser is entitled to carry out inspections, even without prior notice in the event of established or suspected non-conformity, at the premises of the Supplier and its subcontractors, covering the documentation, production processes and quality control systems relating to the supply. A similar right of access and inspection is granted, where required by the contractual terms, to the end customer and to the relevant regulatory or aviation authorities. The Supplier undertakes to ensure access and the full cooperation of its staff and subcontractors, failing which the Purchaser may suspend deliveries without this constituting a breach on the part of the Purchaser.
15.3 The Supplier is required to notify the Purchaser in writing, well in advance of the relevant implementation and in any event in good time to allow for the necessary assessments, of any change concerning the organisation, production processes, production sites, products, services or methods of fulfilling the Order, including the use of new subcontractors or the replacement of those already engaged. The Purchaser may object to the proposed change, giving reasons, within thirty (30) days of receiving the relevant notification. Should the nature or complexity of the change require further technical clarification, the Purchaser shall be entitled to request additional information or documentation; in such a case, the aforementioned time limit shall be suspended until the requested information or documentation has been received in full. The implementation of changes without the prior notice provided for in this article shall constitute a breach of contract.
15.4 The Supplier guarantees the full traceability of the supply throughout the entire supply chain and undertakes to source materials and components exclusively from the original equipment manufacturer (OEM) or its official/authorised distributors. The Supplier guarantees that the supply is free from counterfeit parts, parts suspected of being counterfeit or unauthorised parts, and undertakes to maintain and make available on request the documentation necessary to prove the origin and conformity of each batch/component. Any breach of this clause entitles the Purchaser to reject the supply in accordance with clause 7, without prejudice to the right to compensation for damages.
15.5 The Supplier undertakes to adopt a structured process for identifying and managing risks relating to *product safety* throughout the entire production cycle and to promptly notify the Purchaser of any condition, non-conformity or event, including those occurring after delivery, which may affect the safety, reliability or conformity of the product supplied. This is without prejudice to the provisions of clause 17.12 regarding the Supplier's liability for damage caused by the products (*product liability*).
15.6 The Supplier undertakes to contractually transfer to its subcontractors, by means of appropriate *flow-down* clauses, all applicable requirements arising from the Order, the technical documentation and the end customer's requirements, as well as all obligations set out in this Article 15 and those contained in Articles 7 (Quality, Assurance Conformity), 8 (Audits and Insurance), 7 (Management of Non-Conformities), 14 (Code of Ethics, Compliance and Anti-Corruption) of this document, to the extent

that they are applicable to the service entrusted to the subcontractor. The Supplier remains fully liable to the Purchaser for the actions of its subcontractors and for their compliance with the applicable contractual, statutory, regulatory and quality requirements.
15.7 The Supplier is required to retain and make available, upon the Purchaser's request, all documentation relating to the supply (including quality records, traceability records and test records) for a period of not less than 10 years from the date of delivery, or for any longer period that may be required by the end customer or by the applicable sector regulations and communicated to the Supplier, unless otherwise specified in the Order. Failure to produce the requested documentation within a reasonable period constitutes a breach of contract within the meaning of clause 8.3.
15.8 The Supplier must ensure that all personnel involved in the execution of the Order are adequately trained and aware of their contribution to product and service conformity, their contribution to product safety, the importance of ethical conduct and regulatory compliance, and the consequences of failing to comply with the applicable contractual, regulatory and quality requirements.

16. Governing law and exclusive jurisdiction

16.1 These General Terms and Conditions, as well as any and all Orders issued in accordance with them, shall be governed exclusively by the provisions of Articles 1470 et seq. of the Civil Code relating to sales, subject to the provisions of clauses 7.11 and 7.13 above.
16.2 Any dispute that may arise between the parties as a result of or in connection with the General Terms and Conditions, or as a result of or in connection with any of the Orders, shall be settled exclusively before the Court of Brescia (Italy). In any event, the summary proceedings provided for in Articles 633 et seq. of the Code of Civil Procedure, Book Four, Title I, Chapter I, are excluded, as are any other similar judicial remedies (such as, for example, that referred to in Article *186-ter* of the Code of Civil Procedure, Book II, Chapter II, Section II).

17. - Final provisions

17.1 All amendments, additions and variations to the terms and conditions set out in the General Terms and Conditions must be made in writing and signed by the authorised representatives of each party following consultation between them. Such amendments, additions and variations shall form an integral part of the General Terms and Conditions and shall have the same legal effect.
17.2 All communications between the Parties relating to the General Terms and Conditions and Orders must be sent by registered post, email or by hand delivery to their respective registered addresses, contact details and/or email addresses, or to any other address subsequently specified by the Parties in writing.
17.3 The Supplier may not assign or transfer to third parties any claims, rights or obligations arising for the Supplier under the General Terms and Conditions and/or the Special Terms and Conditions of any Order without the Purchaser's prior written consent.