

GENERAL TERMS AND CONDITIONS OF PURCHASE

1) DEFINITIONS

“Buyer” means Selcom Group S.p.A. and any of its direct and indirect subsidiary companies and affiliates which submits a Purchase Order (Buyer is also hereinafter referred to as a “Party”).

“Parties” means collectively the Buyer and the Supplier.

“Products” means the products of the Supplier specified in the Purchase Order. “Services” means the works and services of the Supplier specified in the Purchase Order.

“Supplier” means any company which sends an Offer to the Buyer (Supplier is also hereinafter referred to as a “Party”).

2) SCOPE OF APPLICATION

a) These General Terms and Conditions of purchase (the “Terms and Conditions”) are the only terms and conditions that govern purchases made by Buyer of Products and/or Services from Supplier based on Purchase Orders issued by the Buyer.

b) These Terms and Conditions shall in any case prevail over any general terms and conditions of sale of Supplier, regardless of when the Offer or the aforementioned general conditions of sale of Supplier were sent to Buyer.

c) The Purchase Order and these Terms and Conditions (collectively, the “Agreement”) represent the entire agreement between the Parties, and supersede any other previous agreement, verbal or written, and any previous correspondence between the Parties, in relation of the same subject.

d) The acceptance and/or payment for the Products and/or Services by Buyer shall in no case constitute acceptance of any general terms and conditions of Supplier and shall not imply any modification to these Terms and Conditions.

e) The offer of Products and/or Services sent by the Supplier to the Buyer constitutes a proposal to sell the relative Products and/or Services on the basis of these Terms and Conditions (the “Offer”).

f) Upon receipt of the Offer, the Buyer issues an order (the “Purchase Order”). Prices stated in the Purchase Order are intended to be fixed and unchangeable, unless otherwise agreed in writing between the Parties.

g) The Supplier shall send a confirmation for each Purchase Order (the “Order Confirmation”) within 5 working days from its receipt. In the absence of an Order Confirmation all the essential terms of the Purchase Order shall be intended to be fully accepted by the Supplier, including the delivery terms of the Products.

3) PRODUCT SHIPMENT AND/OR SERVICE PERFORMANCE

a) Supplier agrees to deliver the Products and/or perform the Services at the agreed location, subject to the terms and conditions of delivery and/or performance specified in the Purchase Order.

b) Supplier acknowledges and agrees that the terms of delivery of the Products and/o performance of the Services specified in the Purchase Order are essential within the meaning of Article 1457 of the Italian Civil Code.

c) Supplier shall send an advanced written notice of the deliveries performed to the office issuing the Purchase Order. A packing note shall be enclosed with each package of Products. In case of delivery by carrier or by train, the packing note shall be enclosed with the packaging. The package including the packing note shall be marked “PACKING NOTE IS ENCLOSED”. Each packing note shall include the following data:

-Number of Purchase Order

-Date of Purchase Order

-Number of order line

-Part number following the schedule of the company issuing the order.

d) Supplier acknowledges and agrees that title to Products transfers to Buyer when such Products are received by Buyer at the location specified in the Purchase Order.

e) Supplier acknowledges and agrees that the risk of loss and damage to the Products transfers to Buyer in accordance with the Incoterms® terms specified in the Purchase Order.

f) Supplier acknowledges and agrees that Buyer has the right to inspect the Products and/or the Services from the date of delivery of the Products and/o performance of the Services specified in the Purchase Order.

g) In the event of possible delays, the Supplier must always promptly notify the Buyer in writing. In any case, delays in delivery or performance (even partial ones) attributable to the Supplier authorize the Buyer to apply a penalty to

the Supplier, pursuant to Article 1382 of the Italian Civil Code, equal to 2% of the value of the goods, products, or services not delivered or not performed. Without prejudice to the recoverability of any greater damages suffered by the Buyer, this penalty shall be multiplied by the number of calendar weeks of delay, up to a maximum of 10% of the order value. If the delay in delivery or performance exceeds 25 working days, the Buyer – without prejudice in any case to the recoverability of any greater damages that may have been suffered – may, at its option: a) consider the order terminated by law, upon written notice to the Supplier; b) procure the product or service covered by the sale elsewhere and at any time (even outside the cases provided for in Article 1516 of the Italian Civil Code), at the Supplier's risk and expense, who shall also bear any additional costs.

4) DELIVERY OF THE PRODUCTS

a) Upon the arrival of the Products at the location specified in the Purchase Order, Buyer shall:

a.1) take over the Products from the carrier, briefly controlling the package quantity and the aspect of the external packaging. If nonconformities are discovered, Buyer shall choose between (i) writing in the packing note “Products taken over with reservations”, describing the relevant reason or (ii) refusing the taking over of the Products. In any case, the taking over the Products shall be understood to be subject to subsequent inspection of the Products themselves.

a.2) unpack the Products: after the unpacking, Buyer shall notify the carrier and the Supplier of the obvious defects and damages, and/or the lacking quantities within 8 working days from the arrival of the Products.

b) Buyer has the right to reject the Products and/or Services, if, as a result of the inspection referred to in clause d.2), Buyer believes that they do not conform to what is specified in the Purchase Order. In such event, Supplier agrees to take prompt action to collect the nonconforming Products and/or Services, bearing all resulting expenses and costs (including, but not limited to, transportation and shipping costs of the nonconforming Products). Buyer shall not be responsible for the conservation of the Products until the moment of their collection by the Supplier.

c) Buyer shall be entitled to the reimbursement of the reasonable documented extra costs incurred because of the defective or missing Products

5) PRODUCTS PRICES AND SERVICES FEES

a) The amount due by Buyer for the purchase the Products (“Price”) and/or for the performance of the Services (“Fees”) shall be as set forth in the Purchase Order.

b) Any additional charges, expenses and costs incurred by Supplier in connection with the shipment of the Products and/or the performance of the Services, shall be borne by Supplier, except as otherwise set forth in the Purchase Order.

c) Any changes in the Prices of the Products and/or the Fees for the Services shall not be valid and effective without the prior written consent of Buyer.

d) The timing and method of invoicing and payment of amounts actually due (and undisputed) under the Price of the Products and/or Services Fees shall be as specified in the Purchase Order.

6) TESTING AND INSPECTION

a) All tests and inspections shall be performed by the Supplier in accordance with the technical specifications, applicable regulations, and any other requirements set forth in the Purchase Order.

b) Buyer shall be authorized, upon reasonable notice to Supplier, to make inspection visits to Supplier and/or its sub-suppliers and/or subcontractors for the purpose of verifying (i) the progress of the Purchase Order being performed and (ii) Supplier’s compliance with its obligations under the Agreement.

7) PRODUCT/SERVICE WARRANTY

a) “Warranty Period” means, in relation to the Products and unless otherwise specified in the Purchase Order, the warranty period commencing from the date of delivery of the Products delivery date and ending once 24 months have elapsed from the date on which the Buyer has delivered the Products to its customer; the term “Warranty

Period” also means, in relation to the Services, and unless otherwise specified in the Purchase Order, the warranty period of 24 months commencing from the date of performance of the Services.

- b) With respect to the Products, Supplier agrees to warrant to Buyer that during the Warranty Period the Products will be (i) new and not used (ii) free from defects in design and workmanship and designed and manufactured in accordance with the latest technology and with materials of the highest quality, (iii) in compliance with applicable regulations, technical specifications, drawings, designs, samples and any other requirements set forth in the Purchase Order, (iv) fit for their intended purpose and capable of functioning as set forth in the Purchase Order, as well as in relation to the ISO 9001 Certifications obtained by the companies of the Supplier and (v) merchantable;
- c) If, during the Warranty Period, Buyer disputes in writing to Supplier that the Products are defective, Supplier shall take prompt action to replace or repair the defective Products (at Buyer’s option) bearing all related costs and expenses (including, without limitation, the costs of transportation and shipping of the defective and replacement Products). In the event that the defective Products are not repaired or replaced by Supplier within a reasonable time (in no event later than 15 business days after written notice of defect sent by the Buyer to the Supplier), Buyer shall have the right, at Supplier’s expense, to engage third parties to replace or repair such defective Products.
- d) With reference to AS/EN 9100:2018 (Clause 8.1.4 - Prevention of counterfeit parts), the Supplier is required to establish, implement, and maintain a process to prevent the use of counterfeit parts and materials, and to ensure the flow-down of this requirement to its suppliers and sub-suppliers.
- e) In compliance with IATF certification, the Products acquired for automotive applications are highlighted in the Purchase Order with a proper definition.
- f) The Supplier warrants that the delivered Products have been produced and acquired by/from a “supply chain” authorized and recognized by the OEM companies, unless otherwise agreed in writing between the Parties.
- g) With respect to the Services, Supplier agrees to warrant to Buyer that the Services covered by the Purchase Order are (i) performed in a workmanlike manner (ii) in accordance with any technical specifications set forth in the Purchase Order, (iii) fit for their intended purpose as set forth in the Purchase Order.
- h) If, during the Warranty Period, Buyer disputes in writing to Supplier that the Services are defective, Supplier shall take prompt action to perform the restoration of the defective Services, bearing all related costs and/or expenses. In said case, in addition, Supplier agrees to reimburse the Buyer for all costs incurred and documented. In the event that the defective Services are not restored within a reasonable time (in no event later than 15 business days after Buyer’s written notice of defect sent to Supplier), Buyer shall have the right, at Supplier’s expense, to engage third parties to restore such defective Services.

8) INTELLECTUAL PROPERTY

- a) The Parties expressly acknowledge and agree that: (i) all Intellectual Property Rights owned by (or licensed) to the other Party are and shall remain the exclusive property of such Party (or its licensors); (ii) each Party shall not acquire, through the Agreement, any rights in the Intellectual Property Rights of the other Party (or its licensors).
- b) For the purpose of these Terms and Conditions, the term “Intellectual Property Rights” shall mean any industrial and intellectual property rights relating to: (i) patents; (ii) trademarks; (iii) internet domain names; (iv) designs; (v) software and firmware; and (vi) trade secrets, business and technical information and know-how.
- c) In the event that any Intellectual Property Rights of Supplier are embedded in the Products and/or Services, Supplier licenses such Intellectual Property Rights to Buyer, so that Buyer has the right to (i) use the Products and/or market the Products to its customers, and/or (ii) use the Services. Such license shall be non-exclusive, royalty-free, perpetual, irrevocable, and without territorial limitation.
- d) All inventions and cognitions, even if not patentable, as well as patents and/or designs and, in general, any other industrial property right, as well as any industrial and intellectual property right relating to the Products and resulting from the activities covered by this Contract, shall be the exclusive property of Buyer.

9) INTELLECTUAL PROPERTY INDEMNIFICATION

- a) Supplier warrants to Buyer that the purchase, possession, holding, use and/or marketing of the Products and/or Services does not involve any infringement of intellectual property right of third party.

b) In the event that Supplier's purchase, possession, holding, use and/or marketing of the Products and/or Services results in any infringement of intellectual property right, Supplier agrees to indemnify and hold Buyer harmless from any related damages, costs, expenses, fines and economic loss of any kind.

10) **CONFIDENTIALITY**

a) Each Party may communicate to the other Party information of a technical and/or commercial nature relating to products, services, market forecasts, or information or materials that include or concern Intellectual Property Right. Such information, whether communicated orally, in writing, through electronic media, or through other forms of communication, regardless of whether it is identified as "secret" or "confidential", shall be considered confidential information. Without prejudice to the foregoing, Confidential Information does not include information that: (i) is or becomes generally available to and known by the public other than as a result of, directly or indirectly, any breach of this Agreement by the Receiving Party; (ii) were already lawfully in the possession of the Receiving Party or (iii) is required to be disclosed pursuant to applicable Law.

b) The Receiving Party shall, during the Term and for a period equal to 3 (three) years from expiry or termination of this Agreement: (i) keep strictly confidential the confidential information received by the other Party; (ii) use the confidential information received from the other Party for the sole purpose of executing the Agreement; (iii) not disclose or communicate in any way to third parties the confidential information, it being understood that the Buyer may disclose to its customers the confidential information received from the Supplier for the sole purpose of enabling its customers to use and/or market the Products and/or Services, provided that such third parties are bound by a confidentiality agreement similar to this one.

11) **BUYER'S EQUIPMENT**

a) All property owned by Buyer (or in Buyer's rightful possession in any capacity) such as tools, photos, models, equipment, construction drawings, blueprints and documentation in general (the "Buyer's Equipment") are and shall remain the exclusive property of the Buyer (or in Buyer's rightful possession), even if held by Supplier for the purpose of executing the Agreement.

b) Upon Buyer's simple request, or after the supply has been completely performed, Supplier agrees to immediately return Buyer's Equipment to Buyer in good state. In any event, Supplier agrees to (i) use Buyer's Equipment solely for the purpose of executing the Agreement and (ii) mark Buyer's Equipment clearly and conspicuously as the sole property of Buyer, as long as the same remain in Supplier's possession. The ordinary and extraordinary maintenance and use of Buyer's Equipment shall be the responsibility of Supplier. In the event of damage to or loss of Buyer's Equipment, Supplier shall indemnify Buyer for all consequential damages.

12) **SUPPLY FOR MANUFACTURING PURPOSES**

a) To the extent applicable, these Terms and Conditions shall also apply in the event that Supplier, in accordance with the terms and conditions of the Purchase Order, performs manufacturing activities on raw materials and/or semi-processed materials delivered by Buyer or by third parties authorized by the latter ("Semi-Processed Materials"). Upon receipt of the Semi-Processed Materials and prior to the commencement of relevant manufacturing activities, Supplier agrees to verify that the Semi-Processed Materials conform to what is specified in the Purchase Order and are free of defects.

13) **INDEMNIFICATION AND HOLD HARMLESS**

The Supplier shall indemnify, defend, and hold harmless the Buyer from and against any and all direct or indirect damages, losses, costs, expenses, claims, liabilities, or proceedings (including reasonable legal fees and expenses) arising out of or in connection with:

- a) Any breach of the warranties set forth in Article 6 of these General Conditions of Purchase;
- b) The defence against any third-party claim;
- c) Any failure to comply with the technical specifications or any other provisions of these General Conditions of

Purchase.

In particular, and without limitation, the Supplier shall indemnify, defend, and hold harmless the Buyer from and against any product liability claims arising from defects in the Products.

This indemnity obligation shall survive the termination, expiration, or rescission of the Agreement for any reason and shall remain in full force and effect for as long as any such claims or liabilities may arise.

14) TERMINATION EVENTS

a) Without prejudice to the right to compensation for any further damages, at any time the Buyer has the right to terminate the Agreement with immediate effect, pursuant to article 1456 of the Italian Civil Code, in the following cases: (i) breach by the Supplier of any of the following articles of these Terms and Conditions: 3.a); 3.f); 6.b); 6.d); 8.a); 9.b); 14.a); 15.a); 16; 17.b); 18; 19; (ii) Supplier is subject to bankruptcy, composition, insolvency or debt restructuring procedures; (iii) any change in Supplier's company structure occurs; (iv) a force majeure event occurs that prevents Supplier from fulfilling its obligations under the Agreement for a period exceeding 30 business days; (v) Supplier's violation of Buyer's quality requirements.

b) Credits shall not be assigned to third parties without Buyer's prior written consent.

15) FORCE MAJEURE

a) No Party shall be liable to the other Party, in the event that the timely performance of each Party's obligations under the Agreement is prevented by the proven occurrence of the following force majeure events: (i) acts of God; (ii) floods, fires, earthquakes or explosions; (iii) war (declared or undeclared), insurrection, aggression, terrorist threats or acts, street disturbances; (iv) measure or activities put in place by administrative authorities; (v) national or local emergencies, including due to epidemics and pandemics. The Party affected by a force majeure event undertakes to immediately inform the other Party in writing about the occurrence of the force majeure event, and to take all reasonable efforts to eliminate its prejudicial effects. Any failure of sub-suppliers and/or subcontractors of the Supplier shall not be considered as a force majeure event.

16) RECALL CAMPAIGN

a) In the event that a recall campaign of its final products (hereinafter the "**Final Products**") is undertaken by Buyer, due to defective Products and/or Services or failure to meet the requirements specified in the Agreement, the Supplier agrees to: (i) promptly provide Buyer, at its own expense, with all products and/or services necessary to repair or replace the Final Products, and (ii) reimburse the Buyer for the cost of disassembly, assembly, repair or replacement of the Final Products. Any different agreement in this regard shall be evidenced by a document, signed by the legal representatives of the Parties.

17) INSURANCE

a) Supplier agrees to take out and maintain effective, at its own expense, suitable liability insurance policy (including product liability) with leading insurance companies.

b) Without increasing or reducing Supplier's liability toward the Buyer, Supplier also agrees to undertake insurance policies that cover:

- damages for interruption of activities,
- damages caused to Buyer's products of which Supplier's component has become physically indivisible or is incorporated in the finished products manufactured
- recall campaigns and withdrawal from field of products of third parties in general.

c) No insurance costs will be paid to the Supplier. The insurance for transport risk shall be stipulated by the Buyer or the Supplier in accordance with the applicable delivery terms stated in the Purchase Order.

d) Supplier agrees to deliver to Buyer, upon Buyer's simple request, the insurance certificate, specifying the details of the insurance coverage, as well as appropriate documentation proving the regular payment of the relevant insurance premium.

18) ORGANIZATION AND MANAGEMENT MODEL UNDER LEGISLATIVE DECREE NO. 231/2001, CODE OF ETHICS AND WHISTLEBLOWING CHANNEL

a) The Supplier declares that it is aware of the regulations set forth in Legislative Decree no. 231/2001 relating to the administrative liability of entities and that it has taken note, to the extent of its competence within the scope of the activities envisaged in the contractual relationship, of the principles contained in the Code of Ethics adopted by the Buyer and published on the institutional website of Buyer at the following link <https://www.bonfiglioli.com/italy/it/sostenibilita/governance> which is an integral part of the Organization and Management Model adopted by Buyer for the purposes of Legislative Decree no. 231/2001 (hereinafter also "Model 231").

b) The Supplier, within the scope of its contractual relationship with the Buyer, undertakes not to engage in, including through its employees, collaborators, consultants, as well as its shareholders and directors:

- acts or conduct that are contrary to the provisions of Legislative Decree no. 231/2001, i.d. that could lead to or facilitate the commission of offenses covered by the aforementioned Decree, regardless of their actual consummation or punishability;
- acts or conduct in conflict with the prescriptions set forth in the Code of Ethics adopted by the Buyer, which is an integral part of the Model 231 adopted by the Buyer.

c) In the event of non-performance, even partial, of the obligations set forth above, the Buyer shall have the right to terminate the Agreement by right and with immediate effect pursuant to art. 1456 of the Italian Civil Code, without prejudice, even independently of the termination of the contractual relationship, to Supplier's obligation to bear any damage and prejudice resulting from the non-performance, including the obligation to indemnify and hold Buyer harmless from any third party action arising from or consequent to such non-performance.

d) The Supplier is informed that the Buyer has activated a specific communication channel to report any violations of Legislative Decree No. 231/2001, the Model 231, the Code of Ethics or EU and national regulations of which it becomes aware. Such reports may be made using the "Integrity Line" IT portal available at the link: <https://bonfiglioli.integrityline.com/>.

19) SUPPLIER CODE OF CONDUCT

The Buyer has also adopted a Supplier Code of Conduct, which can be consulted on the website <https://www.bonfiglioli.com/italy/it/sostenibilita/governance>. The Supplier declares that it has read, understood, and shared the principles contained therein, committing itself and its representatives, directors, employees, and collaborators, direct and indirect, to comply with them, aware that their violation constitutes a serious breach of contract and gives the Buyer the right to unilaterally terminate the contract pursuant to and in accordance with Article 1456 of the Italian Civil Code.

20) QUALITY REQUIREMENTS

The Supplier undertakes to comply with Buyer's General Quality Requirements for Purchased Parts and Quality Management System Certifications, which can be consulted on the website www.selcomgroup.com/SuppliersTermsAndConditions/, that the Supplier declares to have read and understood.

21) ANTI-CORRUPTION

The Buyer has adopted an Anti-Corruption Policy, which can be consulted on the website <https://www.bonfiglioli.com/italy/it/sostenibilita/governance>. The Supplier declares that it has read, understood, and agreed with the principles contained therein, committing itself to comply with them, and, therefore, committing itself not to receive from and not to offer, promise, or give, directly or indirectly, money or other benefits to employees, collaborators, representatives, directors, managers, or persons subject to their direction or supervision, in violation of the obligations inherent to their office or obligations of loyalty, in order to obtain in exchange an undue

advantage in the performance of the contractual relationship. In the event of Supplier's breach of the aforementioned obligations and representations, Buyer shall have the right to unilaterally terminate the contract, as of right and with immediate effect, pursuant to and in accordance with Article 1456 of the Italian Civil Code.

22) APPLICABLE LAW AND JURISDICTION

In relation to the supplies performed by Suppliers having the main office in Italy the formation, validity, interpretation, execution, amendment and termination of this Agreement shall be governed by Italian Law.

- a) In relation to the supplies performed by Suppliers having the main office in a foreign country, this Agreement shall be regulated by the "United Nations Convention on contracts for the International sale of goods", stipulated in Vienna on 11 April 1980 (hereinafter referred to as "CISG"); the Italian law shall be applied for matters not regulated by the CISG.
- b) Any dispute relating to, or in any way connected with, the Agreement shall be the exclusive jurisdiction of the Court of Bologna .

23) MISCELLANEOUS

- a) Supplier agrees to obtain and maintain in effect all licenses, permits, authorizations, and acts of consent necessary to perform its obligations under the Agreement.
- b) Supplier agrees to execute the Contract in accordance with applicable law (including, but not limited to, REACH Regulation EC 1907/2006 and ROHS Directive 2011/65/EU, as amended).
- c) Supplier and Buyer are independent parties. The Agreement does not create any agency, collaboration, joint venture, partnership, dependency or representative relationship between the Parties. Neither Party shall have the right, authority or power to act on behalf of and/or for the other Party, nor to bind the other Party or to constitute any obligation against the other Party to third parties.
- d) The ineffectiveness, nullity or unenforceability of any of the provisions of the Contract shall in no event result in the ineffectiveness, nullity or unenforceability of the entire Contract, the remaining provisions remaining fully valid and enforceable
- e) Any amendment to the Agreement shall be valid only if made in writing and signed by authorized representatives of both Party.
- f) Any waiver by a Party of its rights under the Agreement shall be valid only if made in writing and signed by such Party
- g) Supplier shall not under any circumstances assign the Agreement, even in part, without the prior written consent of Buyer.