
PROGRESS RAIL SIGNALING S.p.A.
STANDARD PURCHASE ORDER TERMS AND CONDITIONS

Art. 1. Definitions

As used herein, the following terms have the meanings indicated:

- a. **"Affiliate"** means any entity that directly or indirectly controls, is controlled by, or is under common control with the Buyer. "Control", for the purposes of this definition, means direct or indirect ownership or control of more than 50% of the voting interests of the subject entity.
- b. **"Buyer"** means PROGRESS RAIL SIGNALING S.p.A. with registered office at Serravalle Pistoiese (PT), Loc. Cantagrillo, Via IV Novembre, 29, C.F. e P. IVA 00089860472 or any of its Subsidiaries or Affiliates, as applicable, entering into a transaction referencing an Order, or these Terms and Conditions.
- c. **"Items"** means in general goods provided by Seller or, depending on the case, manufactured and/or modified and/or developed by Seller, and/or services provided by the same Seller to the Buyer, based on designs, know-how, models or prototypes and/or technical specifications of the Buyer, pursuant to an Order.
- d. **"Order"** means a transmission of a purchase order by Buyer; purchase order release specifying specific quantities, shipping dates or delivery dates; or purchase order revision by Buyer to Seller electronically through a computer network or otherwise, by mail of hard copy, or by such other means as may be agreed by Buyer and Seller in writing, containing information evidencing a commitment by Buyer to purchase Items from Seller.
- e. **"Recurring Defect"** means that more than three per cent (3%) of the Items delivered by Seller in a given period of 30 (thirty) days or being part of the same lot of Items has the same type of defect or non-conformity.
- f. **"Seller"** means the entity indicated as supplier on the Order.
- g. **"Subsidiary"** means any entity in which Buyer owns 50% or more of the voting interests of the subject entity.
- h. **"Terms and Conditions"** mean these Standard Purchase Order Terms and Conditions.

Art. 2. Acceptance of Purchase Order

Any Items received by Buyer shall only be purchased upon the terms of the Order (including these Terms and Conditions), notwithstanding any terms issued by Seller.

Art. 3. Change Orders

Without prejudice to the provisions of Section 1661 civil code, if applicable, Buyer may, at any time, by a written advance notice of 30 (thirty) days, make changes to the terms of the Order. If the changes cause an increase/decrease in the cost or the time required by Seller for performance of the Order, the parties, upon mutual agreement, may make an equitable adjustment to reflect such additional costs and/or time. Nothing in this paragraph is intended to excuse Seller from proceeding with this Order as changed or amended pending resolution of any equitable adjustment.

Art. 4. Governing Law and Exclusive Jurisdiction

These Terms and Conditions and any Order shall be governed by and construed under the laws of Italy, without regard to its provisions on conflict of laws.

Any dispute arising in connection with the performance, non-performance and/or interpretation of these Terms and Conditions or of the Orders shall be exclusively settled by the Court of Pistoia, Italy. However, Buyer shall be always entitled to commence proceedings against Seller in any jurisdiction where the Seller has (or will have) its registered office.

Art. 5. Termination

- a. **For convenience.** Buyer reserves the right to terminate or suspend any Order and/or any agreement governing or relating to an Order, in whole or in part, without cause, for Buyer's convenience, with an advance notice of 30 (thirty) days. In the event of a termination for convenience, Buyer will determine an equitable adjustment for work performed as of the notification date which shall be the sole remedy of the Seller for such termination for convenience.
- b. **For breach or default.** Buyer may, by written notice and with immediate effects (art. 1334 c.c.), terminate any Order and/or any agreement governing or relating to an Order, in whole or in part, for breach or default, according to Sect. 1456 of the civil code if, in Buyer's good-faith opinion, Seller has (i) failed to make delivery of the Items within the specified time, or any extension thereof; (ii) failed to replace or correct defective Items as directed by Buyer; (iii) failed to perform any of the provisions of the Order; or (iv) failed to make progress under the Order so as to endanger performance in accordance with its terms; or (v) in the event of any enforcement action against Seller relating to Seller's non-compliance with the Laws.

Art. 6. Shipping Instructions

- a. **Freight.** Shipping will be as directed by Buyer on the Order, or if not specified, shall be DDP Buyer's receiving facility INCOTERMS 2020. Title shall transfer when risk of loss passes to Buyer upon delivery under the applicable mode of transport described in the applicable INCOTERMS.
- b. **Shipments of Hazardous Materials.** "Hazardous Materials" are defined for purposes of these Terms and Conditions as any substances regulated as contaminants, or as threats or potential threats to human health, safety, or the environment, by any applicable environmental legislation and regulation. In addition to Sections 6.a, Seller must comply with the following requirements for shipment of Hazardous Materials:
 - i. unless otherwise stated on Buyer's Order, the shipping term shall be DDP Buyer's receiving facility INCOTERMS 2020, and title shall transfer upon delivery to Buyer's receiving facility;

- ii. Seller shall ensure that all Seller's personnel shall receive specific training on hazardous materials as required by applicable regulations;
- iii. for all Items, Seller shall provide Buyer with the appropriate hazard classifications and warning messages that should appear on product labels as required by environmental laws and regulations of the Republic of Italy and of the European Union and non-Italian jurisdictions in which such Items may be transported or distributed.

Art. 7. Warranty

a) Seller, in addition to any warranties implied by law or set forth in any specific Order, hereby warrants that Items will be free of any lien or other encumbrance of title; in full conformity with Buyer's instructions, specifications, drawings, and data, and Seller's samples or representations; and will work and operate properly and be free from defects in design (to the extent that Seller furnishes the design), materials and workmanship, also according to Section 1512 of the Italian civil code. The term of warranty shall be (a) with regard to goods, for a period not to exceed two (2) years from the date the goods are placed into service by Buyer or delivered to the Buyer or delivered to Buyer's customer, whichever occurs later, unless otherwise stated on the face of the Order or (b) with regard to services, for a period not to exceed two (2) years from the date the services are completed and approved by Buyer, unless otherwise stated on the face of the Order.

b) Any claim concerning the Items shall be made by Buyer within 60 (sixty) business days from the detection of the defect and/or non-conformity or, should the Item be in the availability of Buyer's customer, within 30 (thirty) business days from the notice of the defect and/or non-conformity from Buyer's customer to Buyer.

c) Without prejudice and in addition to Sect. 5 above, in the event of the breach of the warranty of this Section 7 by Seller, Seller shall, upon Buyer's option, replace or correct defective Items within 15 (fifteen) day following notification.

If a Recurring Defect occurs on certain Items ("**RD Items**"), in addition to the warranty provisions above stated Buyer shall be entitled to terminate the Order according to the provisions of Sect. 1456 of the civil code.

Art. 8. Product Regulations

The term "Product Regulations," as used in these Terms and Conditions, shall mean Environmental Requirements, labeling, marking, license, authorization, certification, country of origin, hazard communication, and other United States, non-United States, and international entity regulatory requirements applicable to the import, export, manufacture, use, sale, packaging, marking, or distribution of Items pursuant to an Order(s). Such Product Regulations specifically include, but are not limited to, all restrictions on the use of mercury in products (including those related to Minamata Convention on Mercury), European Union ("EU") European Conformity ("CE") marking requirements (including the declaration of conformity, Technical Construction File and user's manual, where applicable); and the following EU regulations, which may apply to the Items: Regulation on Registration, Evaluation, Authorization and Restriction of Chemicals ("REACH"); Directive on the Restriction on Hazardous Substances in electrical and electronic equipment ("ROHS 2"), as amended; Machinery Directive; Regulation on General Product Safety; Directive on Noise Emissions; Regulation

on Classification, Labeling and Packaging Substances and mixtures; Limitations Directive (apply to carcinogenic lubricating oils); Directive on Waste Electrical and Electronic Equipment ("WEEE"); Regulation laying down harmonized conditions for the marketing of construction products; Regulation on Batteries and waste batteries. REACH: Seller shall immediately notify Buyer if any goods or packaging previously delivered or to be delivered to Purchaser contain Substances of Very High Concern (SVHC) in a concentration greater than 0.1% by weight, are substances restricted under Annex XVII of REACH, or are authorized under Annex XIV of REACH. Seller shall provide to the Buyer an electronic copy of the Safety Data Sheet for all Items for which such Safety Data Sheet are required. Seller is solely responsible for the compliance of the Items with applicable Product Regulations. Seller agrees to provide to Buyer all information and documentation including, but not limited to, product material data and supply chain data, necessary for Buyer to comply with all Product Regulations applicable to Buyer.

As to CE marking, where the supply concerns finished products, addressed to the final user and, thus, subject to CE marking, the Seller shall provide the Buyer with a CE compliance declaration and with the relevant evidences and, accordingly, the Seller shall take care of all the necessary duties and formalities, unless differently agreed upon in writing by the Parties.

Art. 9. Inspection

Items are subject to Buyer's inspection, testing, and approval at all reasonable times, including work in process at Seller's facility, according to ISO standards. Buyer, at its option, may reject or refuse acceptance of Items that do not meet the requirements of the Order or any applicable warranty according to the ISO standards. Items rejected or not accepted by Buyer shall be kept by or returned to Seller, at Seller's expense.

Art. 10. Price, Payment Terms, and Invoices

The prices of the Items and the payment terms are indicated in the relevant Orders. The prices of the Items are fixed and shall not change during the entire course of the Order. In case purchase of services of engineering which includes the purchase by the Buyer of the relevant intellectual property rights, the prices of the Items include the consideration for the assignment of the intellectual property rights relevant to the activities (if any) of development and/or upgrade of the product effected by the Seller. Buyer may withhold payment for non-delivery of Items, or delivery of nonconforming or poor quality Items by Seller or in any event of breach by Seller of these Terms and Conditions or of the specific terms and conditions set forth in the Order. Unless otherwise stated in the Order, Buyer shall pay Seller all undisputed amounts within the time frame set forth on the face of the Order after Buyer receives a correct invoice and any other documents and information as detailed in the Order, including but not limited to, the document concerning the complaint of the Supplier to the payment of employees' social security and insurance contributions as issued by the competent authorities (so called DURC). Buyer shall be entitled to withhold payment of the price related to a specific Order also in case the breach by Seller of its obligations *vis-à-vis* Buyer shall concern the performance of any other Order. For payment purposes, invoices must be issued by Seller in the currency specified in the Order (in case of no indication, in Euro), must be issued in the name of Buyer and must contain the Order references (date and Order number), the reference of any specific contract signed by the Parties, as

well as the CIG (*Codice Identificativo di Gara*) and, where necessary, the CUP (*Codice Unico di Progetto*) in the case of supply falling within the scope of the execution of a public contract subject to the provisions of Italian Public Tenders Code and subsequent amendments and/or modifications.

Unless stated otherwise in the Order, payments of the prices concerning an Order shall be made by Buyer within 60 (sixty) days from invoice date end-of-month, solely upon delivery of the Item to the Buyer (or upon completion of the service) to the location provided by Buyer to Seller and subject to positive verification of goods and services and subject to billing authorization according to these Terms and Conditions.

Art. 11. Property Furnished to Seller by Buyer

Except as specified below, all patterns, dies, molds, tools, models, jigs, core boxes, piece parts, samples, materials, drawings, specifications, test reports, technical material, advertising material, and any other personal property furnished to Seller by Buyer, or specifically paid for by Buyer for use in performance of an Order (collectively "Materials"), shall be and remain the property of Buyer, shall be subject to disposition according to Buyer's instruction, and shall be used only in filling Orders from Buyer. Any Materials furnished to Seller by Buyer for use in connection with an Order, if any, are provided in AS-IS condition, and Buyer makes no representations or warranties of any kind, including warranties relating to the condition of such Materials or their suitability for the purposes required by Seller. Buyer disclaims any and all warranties associated with such Materials, including, but not limited to, express or implied warranties and warranties of merchantability or fitness for a particular purpose.

Art. 12. Confidential Information; Intellectual Proprietary Rights

(A) Each of the parties ("**Receiving Party**") shall take all necessary steps to protect the Confidential Information (as defined below) received from the other party ("**Disclosing Party**") with at least the same degree of care as used to protect its own confidential and proprietary information of like kind, but in no event less than reasonable care. "Confidential Information" means all technical and business information hereafter disclosed by the Disclosing Party (including its affiliates) to the Receiving Party in connection with the purpose that the Disclosing Party deems to be confidential and that (i) is in written or other tangible form and is marked as "proprietary" or "confidential", (ii) if disclosed orally or in another intangible form, is identified as being confidential (a) at the time of the disclosure and (b) is reduced to writing and marked "confidential" or "proprietary" and delivered to the Receiving Party within 30 days of its disclosure, or (iii) that, by its nature, should reasonably be considered to be proprietary or confidential. Any information disclosed or received which is unrelated or outside the Purpose will not be considered Confidential Information. Confidential Information does not include information that (a) was already in Receiving Party's possession before its receipt from the Disclosing Party without restriction on its use or disclosure, (b) is or becomes available to the general public through no act or fault of Receiving Party, (c) is rightfully disclosed to the Receiving Party by a third party without restriction on its use or disclosure, or (d) is independently developed by the receiving Party without any use of or reference to the disclosing Party's Confidential Information. Except as otherwise expressly agreed to in writing by the Disclosing Party, the Receiving Party shall not (i) use

any Confidential Information except to conduct business with or on behalf of the Disclosing Party, or (ii) disclose to any third party any the Disclosing Party Confidential Information. It is however agreed that Buyer shall be entitled to use Seller's Confidential Information, without restrictions, as reasonably required with respect to Seller's customary document, drawing and software deliverables for the Items to be provided to Buyer's end customers.

The Receiving Party may disclose Confidential Information to its employees, collaborators and subcontractors, solely on a need-to-know basis, for the limited purposes of the supply relationship and/or subcontracting, including the execution of the agreement with the final Client. The Receiving Party shall ensure that its employees, collaborators and subcontractors shall observe the obligations of confidentiality and shall ensure that no unauthorized use is made of the Confidential Information, it being understood that any breach thereof by them will be considered as breach attributable to the Receiving Party itself pursuant to and for the purposes of art. 1381 c.c.

At any time, upon the Disclosing Party's request, the Receiving Party shall promptly return or destroy any media containing any Disclosing Party Confidential Information. Notwithstanding the foregoing, the Buyer will not be required to return or destroy any Seller Confidential Information that is necessary or useful in maintaining or supporting a Buyer product that incorporates an Item or for the exercise of any rights retained by Buyer under this Agreement. Without any prejudice to the intellectual property rights which the Disclosing Party may have on its Confidential Information, which shall inure to the exclusive benefit of Disclosing Party for the whole time granted by applicable laws and regulations, the Receiving Party's obligations of confidentiality will survive to the expiry o of the supply relationship between Seller and Buyer and it will continue to be effective and to have its effects between the parties even in the event of interruption, withdrawal, termination, nullity or cancellation of the supply contract/Order until any of the circumstances set forth under paragraph (a), (b) or (c) have occurred.

(B) "Intellectual Property Rights" means patents, copyrights, know-how, trade secrets, trademarks, service marks, model and industrial design rights and any other intellectual property right ad set forth by any applicable law. If an Order includes development, such as modifying an existing Buyer product, Buyer shall own all Intellectual Property Rights to such developments, including any inventions that are derived from, based on, or incorporate any Buyer Confidential Information or Intellectual Property Rights owned by or licensed to Buyer. Seller shall promptly disclose and assign, and hereby does assign, all of Seller's right, title, and interest in such Intellectual Property Rights to Buyer or shall cause the same to be so assigned. Further, Seller shall execute, or cause to be executed, at Buyer's expense, all applications, assignments, or other instruments that Buyer may deem necessary in connection with such Intellectual Property Rights. If an Order includes development to an existing Seller product and is not derived from, based on, or incorporate any Buyer Confidential Information or Buyer Intellectual Property Rights, Seller shall retain ownership to such Seller Intellectual Property Rights created by Seller and Seller grants to Buyer and its Subsidiaries and Affiliates a perpetual, worldwide, paid-up, royalty-free, non-exclusive license, with the right to sublicense, to use, offer to sell, sell, export, and import all inventions or other results of Seller's development work that Seller conceives, develops, acquires, or reduces to practice in the course of performing work under the Order. Furthermore, Seller grants to Buyer and its Subsidiaries and Affiliates the right to repair and reconstruct any Item and the right to have the same done by others on behalf of Buyer and its affiliates, without prosecution or liability under any claim of infringement, provided that Seller does not carry out the repair and reconstruct within 15 working days as from Buyer's request.

Seller warrants that the Items manufactured and supplied to Buyer under any Order, based on Seller's design, data and information and, as the case may be, on Seller's Intellectual Property, do not infringe any Intellectual Property Rights or other proprietary rights of any third party. If any of the Items furnished to Buyer become the subject of an alleged infringement of any Intellectual Property Right of any third party, Seller shall, at its expense, either (i) procure for Buyer the right to continue using the Items; (ii) replace or modify the Items so that they are non-infringing; provided, however, that such replacement or modified Items must provide equal or greater functionality than the original Items; or (iii) if, after exhausting commercially reasonable efforts, Seller is unable to obtain either of the above two results, refund Buyer's full purchase price: the above without prejudice to Buyer's right to any damages arising therefrom.

(C) Seller shall have no right to apply, and further shall not apply, to Items any trademark, logo, or trade dress owned by Buyer, (hereinafter "Buyer's Trademarks") without Buyer's prior written consent.

Seller shall supply any customary document, drawing and software deliverables with respect to the Items for provision to the Buyer's end customers, including any standard embedded software, drawings, design documentation indicating the overall dimensions, as well as 3-D models for all components, operation or service manuals, installation instructions, maintenance instructions, commissioning instructions, parts lists, or other documents or drawings or software, etc. If a Buyer end customer requires any further document, drawing or software deliverables with respect to the Items, the Parties shall work together on commercially reasonable terms to provide the end customer such deliverables.

Art. 13. Liquidated Damages

Liquidated damages are set in a specific Order (if any). Should Seller be bound to pay liquidated damages to Buyer according to any Order, it is convened that: (i) Buyer shall be always be entitled to claim further damages from Seller pursuant to Sect. 1382 of the Italian civil code; (ii) Buyer may terminate the Order should Seller be liable for liquidated damages exceeding the amount of 10% (ten per cent) of the Order's value; and (iii) liquidated damages shall be set-off against any amount to be paid by Buyer to Seller.

Art. 14. Safety and Insurance

- a. If Seller perform any work on Buyer's premises or use Buyer's property either on or away from Buyer's premises, Seller is expressly obligated to comply with Buyer facility-specific safety and security rules and requirements, (included the EH&S procedures required by the Buyer) and with all laws and regulations relating to human health and safety, including, but not limited to, Italian Legislative Decree no. 81/2008 and subs. amendments.
- b. Seller, at their sole cost, shall maintain insurance coverage as described below with insurance companies of international and reputable standing, being it understood that the limits set forth below are minimum limits and shall not be construed to limit Seller's liability:
 - i. Third Party and Employees Civil Liability Insurance with a combined single limit of € 5.000.000,00 per occurrence for bodily injury or death and property damage;

- ii. Products Liability Insurance with a combined single limit of liability of € 5.000.000,00 per occurrence.

If the Items include work by Seller that involves design, engineering and/or other professional services, Seller shall maintain Errors or Omissions Liability and Professional Liability Insurance with a minimum limit of € 1.000.000,00 each occurrence, and any other specialty policies with appropriate coverage limits as requested by Buyer. If the Items include services at or the provision of Hazardous Materials to facilities or premises owned or operated by Buyer, Seller shall obtain Contractor's Pollution Liability ("CPL") or Pollution Legal Liability ("PLL") Insurance (Occurrence Coverage).

Art. 15. Compliance with Laws

- a. **General.** Seller represents that it has read, understands, has complied, and during the performance of any Order for Items shall continue to comply, with the provisions of all applicable laws, rules, regulations, directives, ordinances, orders, or statutes of Italy and any other applicable law (collectively, "Laws").
- b. **Government procurement.** Items may be used by Buyer in fulfilling an Italian government prime contract or subcontract, or state or other government contract requiring compliance with various procurement or non-procurement regulations and socioeconomic programs. Therefore, Seller is subject (i) to the applicable Italian government procurement Laws in effect at the time of accepting the Order, including, but not limited to, Italian Public Procurement Law (Legislative Decree no. 36/2023 and any amendment thereof) and (ii) to any other applicable law).
- c. **Financial flows traceability.** Seller and Buyer shall comply in all respect with the provisions of Section 3 of Law no. 136/2010, subpoena of nullity of the Agreement; thus, it is *inter alia* convened that: **(a)** any payments by Buyer of the purchase price/s (or of any other due amount under the agreement) shall be made by bank wire transfer (or by any other means of payments which shall be traceable according to the law) and it shall include reference to the tender identification number (CIG) and project code number (CUP) and **(b)** payments of the purchase price (or of any other due amount under the Agreement) shall be made into bank accounts owned by Seller and dedicated by Seller (on non-exclusive basis) to public procurements. Any breach of the above mentioned undertakings shall entitle the innocent party to terminate the Agreement due to the other party's fault.
- d. **Customs and Import/Export Controls.**
 - i. **International Trade Reporting and Documentation.** Seller agrees to provide all information necessary for Buyer or Buyer's agent(s) to comply with all applicable laws, regulations, and any related legal reporting, notification, or other types of approval obligations in the country(ies) of origin and destination, including, if applicable, permits, authorization, licensing, reporting, disclosure, or certification information required under the EU and Italian Laws. Seller agrees to provide all documentation and/or electronic transaction records to allow Buyer to meet all customs or export-related obligations, any local-content/origin/labelling requirements, and to obtain all tariff and trade program duty avoidance(s), deferral and/or refund benefits, where applicable. Seller warrants that all information supplied to the Buyer is true and correct and that all declarations at the border made at no less than fair market value at the country of export. Seller shall reply promptly

to all information and/or documentation requests from the Buyer or Buyer's agent(s), including without limitation, the merchandise export control classifications; Country of Origin of the Items; description and characteristics of the Items.

ii. **Export Controls.** Export licenses or authorizations necessary for the export of Items shall be the responsibility of Seller unless otherwise indicated in this Contract, in which event Seller shall provide such information as may be necessary to enable Buyer to obtain such licenses or authorizations. Seller shall immediately notify Buyer if Seller is, or becomes listed on a Debarred, Excluded or Denied Party List of an agency of the U.S. Government, or if its export privileges are denied, suspended or revoked in whole or in part by any Government entity or agency. Seller warrants that it will control and maintain the receipt, storage and disposition of all controlled technical data or information received from Buyer, and will officially destroy or return all data to Buyer upon fulfillment of the Order obligations. No controlled technical data, information or other items provided by the Buyer in connection with this Order shall be provided to any foreign persons or to a foreign entity, including without limitation, a foreign subsidiary of Seller, without the express prior written authorization of the Buyer and the Seller's obtaining of the appropriate export license, technical assistance agreement or other required documentation.

iii. **231/2001 decree.** The Seller declares to be aware of the fact that the Buyer has adopted its own organization, management and control model ("Organizational Model" or "OM") pursuant to Legislative Decree 8 June 2001 n. 231 and subsequent amendments ("Decree 231/2001"), and that, within this Organizational Model, the Caterpillar Group code of conduct ("Code of Conduct") applies. This OM is available sending a request by email to odv231@cat.com, while the Ethic Code is available at the link <https://www.caterpillar.com/it/company/code-of-conduct.tml>. The Seller accepts the rules of conduct set out therein as an integral part of this contract and:

- declares that he has not been committed any violation that may determine his responsibility pursuant to the provisions of Decree 231/2001 and not to be aware of investigations in progress by the competent authority in this regard;
- undertakes to operate in accordance with the rules established by Decree 231/2001 and the rules of conduct established in the OM and in the Code of conduct and not to implement - and to ensure that their employees and collaborators do not put in place - any conduct that could cause Buyer liability pursuant to Decree 231/2001.

In the event of non-compliance, even partial, by the Seller with this clause and/or in the event that the declarations made by the Seller prove to be incorrect, untrue or incorrect, Buyer may terminate this contract pursuant to art. 1456 c.c., without prejudice in any case to the right to compensation for any damage suffered.

e. **Compliance - Anti-Bribery.** Seller represents and warrants that neither it nor any of its directors, officers, employees, or representatives have engaged or will engage in Bribery in connection in with its performance under this Terms and Conditions or any other agreement with Buyer, its affiliates, or their respective directors, officers, employees, representatives, agents, successors, and assigns. Bribery means the offering, promising, giving, or authorizing of any payment or transfer of anything of value, directly or indirectly through third parties, to any person for the purpose of influencing any act or decision of such person or securing an improper advantage to assist Caterpillar in obtaining, retaining or conducting business.

To the extent Buyer permits the use of subcontractors under this Terms and Conditions, Seller agrees it (1) will instruct such subcontractors neither to engage in nor to tolerate any act of Bribery, (2) will not use such subcontractors as a conduit for Bribery, and (3) will ensure that such subcontractor complies with this Clause in the same manner as Seller is required to comply.

Upon Buyer's request, Seller shall at its expense provide to Buyer in a timely manner complete and accurate information requested through due diligence questionnaires and periodic compliance certifications. If Buyer has reason to believe that Seller is not in compliance with this Clause, Buyer has the right to inquire, or to have Buyer's authorized representatives conduct inquiries, to ascertain the extent of the Seller's non-compliance with this Clause, and Seller agrees to cooperate and provide all documentation and information related to this Terms and Conditions or any other agreement with Buyer that is reasonably requested by Buyer in connection with such inquiries.

In the event Seller becomes the subject of an enforcement action or receives an information request from any government entity for Bribery relating to Seller's performance under these Terms and Conditions, the Order or any other agreement with Buyer, Seller shall provide to Buyer written notice not later than ten (10) business days following such enforcement action or information request, or the earliest date thereafter if prohibited from earlier disclosure by applicable law.

Seller agrees that any violation of this Clause shall constitute a material breach of the Contract and that Buyer may, in its discretion, either suspend the Order or terminate it. Seller agrees to indemnify, defend, and hold harmless Buyer against all demands, liabilities, fines, penalties, losses, and damages (including costs, investigation and litigation expenses and counsel fees incurred in connection therewith) arising out of or related to Seller's obligations under this Clause.

- f. **Conflict Minerals.** The parties acknowledge that on 17th May 2017, the European Parliament and the Council approved EU Regulation 2017/821 on conflicting minerals, that will entry into force on 1st January 2021, laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas. Seller agrees to abide by said Regulation since its entry into force.
- g. **Environmental legislation.** Without prejudice to the other provisions on the matter of these Terms and Conditions, the parties undertake to comply with the provisions of Legislative Decree 152/2006 (and any subsequent amendment thereof) on the environment and waste disposal. In particular, Seller shall comply with and apply all the precautions, obligations, organizational and management measures required by the environmental protection legislation in order to avoid pollution, danger to human health and injury or risk of injury to the environment. Seller who, in carrying out its activities, produces waste of any kind is required to dispose of the waste produced in compliance with current legislation and under its full responsibility as it is considered holder and/or producer pursuant to the clause 183 of the aforementioned decree, also in relation to the specific type / classification of the aforementioned waste.

Seller represents and warrants that it is in possession of the requisites foreseen by the current legislation regarding environmental protection and, in particular, of treatment and disposal of waste.

- h. Processing of personal data.** Should any personal data be processed while performing the activities set forth under this Order, each of the parties will act as independent “controller of data” or as “processor of data” in compliance with the provisions of EU Regulation 679/2016. The data shall be used for the limited purposes of this Order and for the limited period of time needed to that. Each of the parties shall adhere to the EU Regulation 679/2016 and, in particular, to its provisions on security of the data.
- i. Withholding taxes.** If the activities to be provided pursuant to any Order falls within the scope of article 17-bis of Italian Legislative Decree 241/1997 (as introduced by article 4, paragraph 5, of Italian Law Decree 124/2019), governing withholding taxes on incomes, including regional and local surtaxes, relevant to the salaries paid to the employees directly hired by contractors and/or sub-contractors for works or services to be rendered at principal’s premises, the Seller undertakes to provide the Buyer, on a monthly basis and within the legal terms, with certifications (so-called DURF, Documento Unico di Regolarità Fiscale, single document concerning fiscal compliance) giving evidence of the following:
- a)** that the Seller has been doing business for at least 3 (three) years, that it is compliant with income tax returns and withholding tax returns and that, during the course of the fiscal years relevant to the income-tax returns of the previous three years, the Seller has effected payments registered into the fiscal account of at least 10 % of the incomes resulting from said income-tax returns;
 - b)** that the Seller has not pending proceedings or investigations commenced by the competent authorities relevant to income taxes, to IRAP (Imposta Regionale sulle Attività Produttive, regional tax on productive activities) to withholding taxes and to social security contributions higher than € 50.000, for which the payments deadlines have expired and there are still due sums or there have been no suspension orders.

If the requirements set forth by the precedent paragraph are not met and/or if the Seller fails to provide the Buyer with the DURF within said terms, the Seller shall provide the Buyer, within 5 days since the payment, with the documentation set forth by paragraph 2 of article 17-bis of Italian Legislative Decree 241/1997, *i.e.*:

- 1. a copy of the F24 forms relevant to the payment of the withholding taxes,
- 2. a name-by-name list of all the employees, identified via fiscal code, hired in the precedent month directly in the execution of the works and services entrusted with by the Buyer, with specific indications of the hours worked by each employee for said works or services, the amount of the salary paid to the employee deriving from said performance and details of the taxes withheld in the precedent month on the salary of said employee, with a separate indication of those relevant to the works or services entrusted with by the principal.

In case of breach of the obligations set forth by the precedent paragraphs or, however, in the cases provided for by paragraph 3 of article 17-bis of Italian Legislative Decree 241/1997, the Buyer shall withhold the payment of the sums due to Seller pursuant to the conditions set forth by the above-mentioned law provisions.

The Seller shall remain exclusively responsible for the correct calculation of the withholding taxes, for their correct execution and for their payment, without possibility to set-off.

Art. 16. Bond/Letter of Credit/Guarantee Deduction Requirements

- a. If security is required for any Order, Seller must, at its own expense and prior to any payment by Buyer, cause to be issued a bond or a letter of credit, payable to Buyer. Such bond(s) or letter of credit shall (1) be in the face amount specified in the Order or if no amount is specified, then the amount of the purchase price of the Order, (2) remain in full force until the time specified in the Order to allow Buyer to confirm that the Item (service or good) is properly inspected and without defect, passed acceptance testing, and been formally accepted by the designated date (or if no date is given, then upon completion of the acceptance testing), (3) be in form and substance reasonably satisfactory to Buyer and (4) be issued by a bank of primary standing, authorized to exercise banking activities pursuant to Legislative Decree 385/1993 and/or by an insurance company of primary standing. The Buyer may draw down on the bond(s) or letter of credit, as the case may be, if the Item does not pass acceptance testing by the designated date (or if not date is given, then upon failure of the acceptance testing). If the Buyer requires to extend such time for inspection and proper function of the Item and acceptance testing, then at Buyer's option, (a) Seller shall replace the original bond(s) or letter of credit with current bond(s) or letter of credit, as the case may be, to remain in full force until such extended time agreed to by the parties, or (b) Buyer may draw down on the full amount of the original bond(s) or letter of credit, as the case may be, before it expires.
- b. Should any Order provide for the issue of a bond, such bond must be returned by authenticated signature. Bond must be on first demand, to be drawn within 15 (fifteen) days upon simple written request by Buyer, and it shall provide the waiver of the benefit of the preventive payment pursuant to art. 1944 of the Civil Code.
- c. The bond can be replaced, previous express written authorization of Buyer, with a guarantee deduction in occasion of each payment.
- d. The bond/letter of credit/guarantee deduction is required as guarantee for the complete and right fulfilment by Seller, included the accessory obligations and the penalty payment.
- e. After verifying the actual fulfillment of any obligation and / or burden of the Seller, the amount of the bond, or any replacement withholding, will be released within 90 (ninety) days from: (i) the complete delivery of the goods; or (ii) the complete execution of the services; or (iii) the issuance of the provisional test certificate or the certificate of regular execution, when it's required; all these cases provided that the Seller has fully complied with all obligations under the Order and there are no harmful events imputable to him, if at the time of release there are no disputes or pending disputes between the parties.

Art. 17. Assignment and Third-Party Beneficiary

Unless otherwise expressly agreed in writing between the Parties, Seller cannot assign the receivable arising from any Order (art. 1260, paragraph 2, c.c.).

Art. 18. Sub-supply

When the Seller uses the sub-supply, Seller will guarantee the parts acquired from its sub-suppliers. If the Seller is a dealer and, therefore, the goods distributed by the Seller are manufactured by a third party company, Buyer remains unrelated to the relations between the Seller and the manufacturer of the goods, while the Seller will remain the only interface with the Buyer, and consequently Seller will be the only responsible for the goods supplied to Buyer.

Art. 19. Set Off

In addition to any right of setoff or recoupment provided by law, Buyer may at any time and without notice recoup, deduct, or set-off claims by Seller or Seller's subsidiaries or affiliates (or its assignee or financing institution) for amounts due or to become due from Buyer against any claims that Buyer or any Subsidiary or Affiliate has or may have arising out of this or any other transaction between Buyer or Buyer's subsidiaries or affiliates and Seller or Seller's subsidiaries or affiliates.

Art. 20. Change in Ownership and Control

During the term of the applicable Order(s), if there is a change in the ownership or control of Seller or a parent company of Seller, Buyer shall have the option of terminating the Order(s) immediately by giving written notice thereof. For purposes of this Section, a change in the ownership and control of Seller or a parent company of Seller, as appropriate, shall be deemed to have occurred if and when any one or more persons acting individually or jointly purchases substantially all of the assets of Seller or a parent company of Seller or is or becomes a beneficial owner, directly or indirectly, of securities representing twenty-five percent (25%) or more of the combined voting power of the then outstanding securities of Seller or the parent company of Seller.

Art. 21. Severability; No Waiver

Invalidation of any of the provisions contained in these Terms and Conditions, or the application of such invalidation thereof to any person, by legislation, judgment, or court order shall in no way affect any of the other provisions hereof or the application thereof to any other person, and the same shall remain in full force and effect, unless enforcement as so modified would be unreasonable or grossly inequitable under all the circumstances or would frustrate the purposes hereof. No failure of either party to enforce at any time any of the provisions of any Order or these Terms and Conditions, or any rights or remedies with respect thereto, or to exercise any election herein provided, shall constitute a waiver of any such provision, right, remedy, or election or in any way affect the validity thereof or of these Terms and Conditions. The exercise by either party of any of its rights, remedies, or elections under an n Order or these Terms and Conditions shall not preclude or prejudice such party's right to exercise at any other time the same or any other right, remedy, or election it may have. To the extent permitted by Article 1462 of the civil code, Seller shall not be entitled to suspend or delay the performance of this Agreement.

Art. 22. UN Convention on Contracts for International Sale of Goods

The United Nations Convention on Contracts for the International Sale of Goods, the United Nations Convention on the Limitation Period in the International Sale of Goods of 1974, and Protocol of 1988 (amending the Limitation Period Convention) shall not be applicable to any transaction pursuant to these Terms and Conditions.

Art. 23. Independent Contractor

To the extent this Order calls for the provision of services, Buyer and Seller intend that an independent contractor relationship be created by this Order and nothing herein or done pursuant hereto shall be construed as creating an employer/employee relationship, partnership, joint venture, or other business group or concerted action. Seller shall have no authority to legally bind Buyer to any liability or obligation whatsoever. Seller shall pay for the services of all of its directors, officers, employees, agents, subcontractors, and/or representatives (including, without limitation, all salaries, taxes, insurance, fringe benefits, or other costs and expenses of any kind), and shall be solely responsible for the means and methods used by such directors, officers, employees, agents, subcontractors, or representatives and for maintaining control, direction and supervision of same in the performance of any services hereunder.

Art. 24. Entire Agreement and hierarchy

These Terms and Conditions along with the applicable Order and any other specifications or requirements transmitted by Buyer to Seller in writing in connection therewith which specifically references the applicable Order constitutes the entire agreement between the Seller and Buyer with respect to the matters contained therein and supersedes all prior oral or written representations and agreements.

In the event of inconsistency between the provisions of the Contract, the following hierarchy, in descending order, shall apply:

- a) the framework agreement and/or the particular conditions (if any) stipulated by the parties;
- b) the Order;
- c) these Terms and Conditions;
- d) the technical specifications and/or instructions provided with in writing by the Buyer to the Seller.

Seller

Name:

Title: Legal Representative

Place and date:, tap for date

According to articles 1341 and 1342 of the Italian civil code, Seller has read and fully understood and hereby expressly accepts and assents to the following clauses of these general terms and conditions set forth above: Section 3 (Change Order), Section 4 (Amendment, Governing Law and exclusive jurisdiction), Section 5 (Termination); Section 7 (Warranties); Section 9 (Inspection); Section 10 (Price, Payment Terms and Invoices); Section 12 (Confidential Information; Intellectual Property Rights); Section 13 (Liquidated Damages); Section 14 (Safety and Insurance); Section 15 (Compliance with Laws); Section 19 (Set-off); Section 20 (Change in Ownership and Control); Section 21 (Severability; No Waiver); Section 22 (UN Convention on Contracts for International Sale of Goods); and Section 24 (Entire Agreement and hierarchy).

Seller

Name:

Title: Legal Representative

Place and date:, tap for date