

1. **ACCEPTANCE.** These Purchasing Terms and Conditions (the Terms) are to be accepted in writing by Seller by signing the Terms and returning promptly to Buyer the signed copy. Acceptance of these Terms is hereby expressly limited to the terms hereof. All material variations of Seller are rejected. If the terms submitted by Seller are materially inconsistent with the terms contained herein, such terms shall constitute a counter offer. Buyer reserves the right to modify the design and construction of its products.
2. **PRICES.** Prices stated in Buyer's purchase order apply to all shipments made or services rendered hereunder. Buyer shall have no obligation to honor invoices for goods or services at any increased price until such increase shall have been confirmed in writing by Buyer. Unless otherwise specified, price is to cover net weight of material order hereunder and no charges will be allowed for boxing, crating, carting or storage. For goods invoiced by weight, the price to be paid shall be based on the weight recorded on receipt of such goods by the balance of the place of plants.
3. **DELIVERY.** The obligation of Seller to meet the delivery dates, specifications, packing requirements and quantities, as set forth herein is of the essence of the order. Deliveries are to be made both in quantities and at times specified herein, or if no such quantities or times are specified, pursuant to Buyer's written instructions. If Seller's deliveries fail to meet schedule, Buyer without limiting its other rights or remedies, may direct expedited routing and any excess costs incurred thereby shall be debited to Seller's account. Buyer may in accordance with paragraph 11 hereof cancel all or part of the order in the event Seller fails to deliver goods as scheduled herein. Termination of the order shall not of itself make the Buyer liable to pay any compensation to the Seller, including, compensation for loss of profits or goodwill. Buyer shall not be liable for Seller's commitments or production arrangements in excess of the amount, or in advance of the time necessary to meet Buyer's delivery schedule. Seller shall not deliver goods in advance of the scheduled delivery. Goods which are delivered in advance of schedule are delivered at the risk of Seller and may, at Buyer's option, (a) be returned at Seller's expense for proper delivery, (b) have payment therefor withheld by Buyer until the date that goods are actually scheduled for delivery, or (c) be placed in storage for Seller's account until delivery date specified herein. Except as otherwise provided herein, title and risk of loss on all goods supplied to Buyer hereunder shall pass to Buyer after the Seller's acceptance of these Terms, in the event of sale of a future goods, when they come into existence. If the Seller fails to deliver the goods to the Buyer at the place defined in the relevant purchase order or at the location otherwise agreed by the parties, the parties agree that the order shall terminate by law after a formal notice of the Seller by the Buyer. In case of a breach of the aforesaid Terms that is not justified by force majeure, liquidated damages shall be applied for an amount of 2% of the total consideration provided in the Order for each week, or portion thereof of delay up to a maximum of 10% of the above consideration, unless otherwise agreed in the order itself. If the delay exceeds five weeks from the date agreed for delivery, Buyer may declare the contract terminated and will be entitled to the liquidated damages already accrued and to compensation for any further damages suffered.
4. **BLANKET PURCHASE ORDERS.** Where the contract is for purchase and sale of a stated quantity, Buyer shall not be obligated to purchase any additional quantity. In the case of Blanket Orders, (a) Seller agrees to furnish Buyer's requirements for the goods or services covered by these Terms to the extent of and in accordance with the delivery schedule set forth therein, or if no such schedule is set forth, then pursuant to Buyer's written instructions (b) Buyer shall have no obligation to honor invoices for goods or services fabricated, rendered, or delivered other than according to the delivery schedule or written instructions of Buyer pursuant to (a) above, and (c) Buyer shall be entitled to make other purchases at its discretion in order to assure its production operations and maintain reasonable alternative sources of supply.
5. **PRICES AND TAXES.** Unless otherwise stated, all prices quoted are firm during the term of the order. Unless otherwise indicated, the prices set forth in the relevant purchase order do not include applicable taxes. All such taxes shall be stated separately on Seller's invoice. The prices stated herein do not, nor will any invoice of Seller, include any tax with respect to which an exemption is available or is indicated by Buyer hereon or otherwise, or any other tax with respect to which Buyer has furnished Seller an exemption certificate. The Seller agrees to pay any and all personal property ad valorem, or value added, taxes assessed or otherwise levied against any property placed in the hands of the Seller by the Buyer for the purpose of fulfilling the relevant purchase order. In case it shall ever be determined that any tax included in the prices herein was not required to be paid by Seller, Seller agrees to notify Buyer and to make prompt application for the refund thereof, and to take all steps to procure the same and when received to pay the same, including interest, if any, to Buyer.
6. **INSPECTION.** The goods and all parts, material and workmanship entering into the performance of a purchase order shall be subject to inspection, test and count by Buyer at any time or place in the discretion of the Buyer whether during or after manufacture. If any goods are defective in materials or workmanship or otherwise not in conformity with the requirements of the purchase order, Buyer, in addition to its other rights, may reject the goods for full credit or may re-work goods at Seller's expense or require prompt correction or replacement of the goods at Seller's expense, including transportation charges. Nothing herein shall relieve Seller of the obligation to make full and adequate testing and inspection of good sold under the purchase order. The Buyer must notify Seller the apparent defects in the goods within sixty days from the day on which the Buyer was able to examine the goods, whereas the hidden defects of goods within sixty days from the day of discovery. If Buyer notifies Seller, in the terms indicated above, an apparent defect or hidden defect in the goods, Seller shall perform a root cause analysis (RCA) on the quality issues and report the result of such RCA within four weeks of the notice of the defect. In addition, upon receiving notice of the defect, Seller shall take immediate action to ensure the quality issues are contained and no further defective goods are shipped to Buyer, and shall confirm completion of such actions to Buyer within 24 hours of the notice of the defect; if the Seller fails to observe the period of notice of the defect, parties agreed that the order shall terminate by law and no payment will be due by Buyer. In the event that the purchase order covers the acquisition of capital equipment, or goods and services related thereto, Buyer reserves the right to make final inspection and acceptance of such equipment, or related goods and services, at the point of final installation designated on the face of the order. Final payment for such equipment, or related goods and services, in full, or in part if specifically provided for herein, shall be made only upon Buyer's final inspection and acceptance. Buyer retains the right to periodic and reasonable audits of Seller's premises, books, records, and other documents as necessary to confirm Seller's compliance with the terms of the agreement.

The Seller acknowledges that the goods supplied may have to be tested. Testing shall be performed by the Seller through the entities mentioned in the order or required by law, in compliance with all applicable rules, regulations and procedures. Where permitted, testing shall be performed by representatives of the Seller appointed for this purpose, who will then issue the related certificate (certificato privato).

The Seller shall bear all the expenses related to the tests, including those due to any test repetitions, the fee due to the entity in charge of the tests performed in the Seller's premises or plants and, if required, for testing at Buyer plants.

Buyer's and/or the client's representatives may attend the tests and access the Seller's premises and plants.

The test run will be proven by a relevant certificate to be sent by the Seller directly to Buyer. If such certificate is missing, the goods will be considered to be lacking of the essential qualities for the intended use, with the consequences set out in article no. 1497 of the Italian Civil Code.

Regardless of the prescribed test, Buyer reserves the right to verify, at any time and with the methods it deems most appropriate, the compliance of the goods with the conditions of the order.
7. **WARRANTY.** Seller warrants that all goods or services ordered or provided hereunder will be free of all claims, liens and encumbrances and will conform in all respects with the specifications, drawings, samples, or quality control or other procedure or description whether furnished by Seller or provided by Buyer, and will be merchantable and free from any defects in materials, design, and workmanship; and Seller further warrants that where Seller has provided applicable specifications, all material purchased hereunder shall be manufactured in accordance with the Seller's specifications. Seller warrants that where Seller has designed the goods, the goods shall be fit and sufficient for the purposes for which it was intended.

The foregoing warranty shall survive Buyer's acceptance of the goods in case of hidden defects of the goods, notified by the Buyer to the Seller in the terms indicated in the above article 6. Seller shall save Buyer harmless from any loss, damage or expense whatsoever, including attorney's fees that the Buyer may incur as a result of any breach of such warranties, provided that that the defect has been notified to Seller within the period of 24 months from the delivery, regardless of the time of discovery of the defect of the goods. Notice will not be necessary where Seller has concealed or it has expressly acknowledged the defect of the goods. These warranties shall survive delivery and inspection of all or a part of the goods or services as provided above. All warranties provided under the relevant purchase order shall be valid for 24 months from the date of delivery, but pursuant to Article 1495 of Italian civil code, the Buyer, who is sued for the execution of the order, can always assert the guarantee, provided that that the defect has been notified to Seller before the end of the second year from delivery. In the event that Seller provides repairs or replacement goods, the warranties in the purchase order shall apply and will be valid for 24 months from the date such repairs or replacement goods are provided.
8. **PAYMENT.**
  - (a) All payments are made conditional upon acceptance by the Buyer of the goods called for under the purchase order.
  - (b) Invoices for tools, if tooling is expressly covered by the purchase order, will not be honored until production pieces are approved by the Buyer's inspection department.
  - (c) Discount period, if any, begins the date invoice or material is received by Buyer, whichever is later.
9. **CHANGE ORDERS.** The Buyer may at any time, by a written order, make changes within the general scope of the order, in any one or more of the following and no other changes may occur except by written order of Buyer:
  - (a) applicable drawing, designs, or specifications;
  - (b) method of shipment or packing;
  - (c) place of delivery;
  - (d) material, methods or manner of production, or final product.

In cases where change orders are issued, if any such change causes an increase or decrease in the cost of or the time required for performance of the order, a proven adjustment shall be made in the order price or delivery schedule or both and expressly accepted by Buyer. Any claim by the Seller for adjustment hereunder must be asserted within 20 days from the date of receipt by the Seller of the notification of change, provided however, that such period may be extended upon the written approval of the Buyer. However, nothing in this clause shall excuse the Seller from the order as charged or modified.
10. **SUBSTITUTIONS; EXTRAS.** In the event of any substitutions of materials or accessories made without Buyer's written consent parties agree that the order shall terminate by law. No charges for extras will be allowed unless such extras have been ordered in writing by Buyer.
11. **TERMINATION.**
  - (a) Pursuant to Article 1454 of Italian civil code, the purchase order will be terminated, without Buyer's liability to the Seller, if the Seller, after fifteen days from the formal notice of the Buyer, fails to fulfil its obligations under the order as specified.
  - (b) In the event of Seller's default or apparent inability to perform the order:
    1. Seller agrees upon demand by Buyer to deliver to Buyer the raw materials and work in process acquired in order to perform under the order, and Buyer may then complete the work deducting the cost of such completion from the price, or in the alternative, pay to Seller the cost of such raw material according to market prices.
    2. Otherwise agreed, any provision of the order that expressly or by implication is intended to come into or continue in force shall remain in full force and effect.
  - (c) In the event of violation of the following clauses parties agree that of the order shall terminate by law: 3 (DELIVERY), 6 (INSPECTION), 10 (SUBSTITUTIONS; EXTRAS), 14 (SUBCONTRACTING), 17 (BUYER'S PROTECTION IN CONNECTION WITH WORK DONE AT ITS OR A CUSTOMER'S PLANT), 18 (COMPLIANCE WITH LAWS), 19 (SAFETY AND HEALTH REGULATIONS), 20 (ETHICS), 21 (NON-DISCLOSURE OF CONFIDENTIAL MATTER), 22 (ASSIGNMENT) and 23 (TOOLING). Any provision of the order that expressly or by implication is intended to come into or continue in force or after termination of the order shall remain in full force and effect.
12. **EXCUSABLE DELAYS.** It shall not be deemed a default hereunder and Seller shall be liable for a failure to perform hereunder arising from causes or events beyond the reasonable control and without the fault or negligence of Seller in failing to perform hereunder. Seller agrees that in such circumstances, where possible delays in the performance of the purchase order result, Buyer shall have the option exercisable by written notice to vest title in itself to tools, finished parts, raw materials, or work in process, and Seller will upon request from Buyer deliver any and all tooling as defined in paragraph 23 herein, finished parts, raw materials, and work in process associated with the purchase order to Buyer at any point outside Seller's plant, and Buyer will pay to Seller the cost of such raw material and work in process according to market prices.
13. **INSOLVENCY, LOSS OF PROFITS, DAMAGES.** The changes in ownership or in corporate control, the assignment for the benefit of creditor a bulk transfer of assets or the sale of the business by, either party, shall be a material breach hereof. In no such event shall Seller be entitled to anticipatory profits, or to special or consequential damages.
14. **SUBCONTRACTING.** In the event of any subcontracting be made by the Seller with any other party for furnishing any of the completed or substantially completed articles, spare parts, or work herein contracted for, without the prior written approval of the Buyer, parties agree that the order shall terminate by law.
15. **PATENTS, ROYALTIES AND ENCUMBRANCES.** All goods and services supplied must be free from liability of royalties, infringement of intellectual property rights and mechanic's liens or other encumbrances, and Seller hereby waives any right it or its subcontractor may have now or in the future to any mechanic's lien or other encumbrance with respect to the goods and services supplied hereunder. Seller warrants that the goods specified in the purchase order and their sale or use alone, or in combination according to Seller's

specifications or recommendations, if any, will not infringe any domestic or foreign patents, copyrights or marks. Seller agrees to indemnify and hold harmless Buyer and anyone selling or using any of Buyer's products against all judgements, decrees, costs and expenses resulting from any alleged infringement as aforesaid, and Seller further agrees that, upon request of Buyer and at Seller's own expense, Seller will defend or assist in the defense of any of Buyer's products by reason of any such alleged infringement or obtain a license to obtain use of same on terms acceptable to Buyer.

16. **LICENSE.** The Seller, as part consideration for the purchase order and without further cost to the Buyer, hereby grants and agrees to grant to the Buyer an irrevocable, non-exclusive, royalty-free right and license to use, sell, manufacture and cause to be manufactured products embodying any and all inventions and discoveries made, conceived or actually reduced to practice in connection with the performance of the purchase order, and Seller hereby grants to Buyer a license to repair, rebuild or relocate and have repaired, rebuilt or relocated the goods, purchased by Buyer under the purchase order.
17. **BUYER'S PROTECTION IN CONNECTION WITH WORK DONE AT ITS OR A CUSTOMER'S PLANT.** If the purchase order provides for the Seller to render services, including without limitation delivery services, temporary labor, and subcontractor work, whether performed at Buyer's plant or the plant of a customer of Buyer or otherwise, Seller agrees that such services are to be rendered by Seller as an independent contract; and that Seller will indemnify and save harmless Buyer or such customer as the case may be, its officers, directors, shareholders, employees and agents, from any and all liability and expense (including attorney fees and other litigation or settlement expense) with respect to any and all claims for bodily injury or death or property loss or damage arising out of or attributable to the faulty performance of the relevant purchase order by Seller, its employees, agents or contractors. In event Buyer's machinery and/or equipment or machinery and/or equipment of any such customer of Buyer is used by Seller in the performance of the work called for by the purchase order, such machinery and/or equipment shall be considered as performance of the work called for by the such purchase order, such machinery and/or equipment shall be considered as being under sole custody and control of the Seller during the period of such use by Seller, and should any person or persons in the employ of Buyer or any such customer be used to operate said machinery and/or equipment during the period of such use, such person or persons shall be deemed during such period of operation to be an employee, or employees of Seller. Upon the request of Buyer or such customer, Seller shall furnish Buyer or such customer within the period of 1 week from Buyer's request such fidelity and performance bonds as Buyer or such customer may reasonably specify, evidence that Seller has adequate public liability and property damage insurance in amounts and with companies acceptable to Buyer or such customer and evidence that Seller has made adequate provisions for satisfying applicable employment or labour laws or regulations of any jurisdiction lawfully requiring same. Buyer may ask, on the basis of individual orders, the seller for a supplement of the insurance amount.
18. **COMPLIANCE WITH LAWS.** The Seller warrants that no law, rule, regulation or ordinance of all and any country in which Seller operates or has its goods or services available for purchase or any other government agency has been violated in the manufacture or sale of the items or in the performance of services covered by the order and will indemnify and hold the Buyer harmless from loss, cost or damages as a result of any such violation. Seller must comply with the requirements of the United Kingdom Bribery Act 2010 (the "Act") and shall not engage in any activity, practice or conduct which would constitute an offence under sections 1, 2, or 6 of the Act if such activity, practice or conduct had been carried out in the United Kingdom. Additionally, Seller shall comply, and shall ensure compliance of any party with which it subcontracts complies, with the requirements of the United Kingdom Modern Slavery Act (2015), including ensuring that all forms of forced labour are eliminated from its business. The Seller acknowledges and agrees that Buyer, also with regard to the nature and quality of its own customer or of the goods supplied, may request the preliminary presentation of technical or professional certificates attesting the particular suitability or specific qualifications of the Seller. A similar request may be made in connection with the so called "Anti-mafia Certifications".
19. **SAFETY AND HEALTH REGULATIONS.** Seller represents and certifies to Buyer that any and all services performed and any goods delivered under the purchase order shall comply with all requirements of any applicable health or safety statute or regulation of any government or regulatory body having jurisdiction in the location from or to which such items are to be shipped or at which such work is to be performed pursuant to th purchase order. Seller agrees to indemnify and hold harmless Buyer against any claims, losses, damages, fines, penalties, costs and expenses assessed against or incurred by Buyer as a result of Seller's failure to comply with such statutes or regulations, and with all rules, standards, or orders issued thereunder, and for the failure of the goods or services furnished under the relevant purchase order to so comply.
20. **ETHICS.** The Seller warrants that its directors, employees, agents and other representatives have not and will not, directly or indirectly, offer, promise, give, accept or agree to receive a bribe, corrupt payment or any article of financial value whether for the benefit of any public official, Buyer, its employees and agents or any other person. Seller will immediately report to Buyer any actual or attempted breach of this clause by an employee or agent of Buyer and any such action of acceptance of any such solicitation is a material breach of every contract between Buyer and Seller. Seller shall act in accordance with the requirements of the UK Modern Slavery act by ensuring that i) all forms of illegal, forced or compulsory labour, slavery and servitude are eliminated; ii) no individual is induced through force, threats, or deception to provide services or benefits of any kind to another or to enable another to acquire benefits of any kind; and iii) no individuals or groups are involved in the Trafficking of humans. "Trafficking" means recruiting, transporting, transferring, harbouring, receiving, transferring or exchanging control, or otherwise arranging or facilitating travel of any individual that is travelling with a view to being exploited through any type of forced or compulsory labour or slavery or servitude.
21. **NON-DISCLOSURE OF CONFIDENTIAL MATTER.** Materials purchased hereunder with the Buyer's specifications or drawings shall not be quoted for sale to others without the Buyer's prior written authorization. Such specifications, drawings, samples or any other data furnished by the Buyer or any other information gained by Seller in connection with the purchase order shall be treated as confidential information by the Seller, shall remain Buyer's property, and shall be returned to it on request. In the event of termination of the order, parties agree that this clause shall continue in force.
22. **ASSIGNMENT.** No right or obligation under the purchase order, including the right to receive moneys due and to become due hereunder, shall be assigned by Seller, the effect of which alters or compromises Buyer's rights to assert an offset claim against assignee, without the prior written consent of Buyer, and any purported assignment without such consent shall be void.
23. **TOOLING.** Unless otherwise agreed to in writing, all materials, drawings, tools, dies, jigs, gauges, fixtures, patterns, molds, testing apparatus, machinery and equipment, together with all other manufacturing aids (hereinafter collectively called tooling) used in the manufacture of the articles, materials, supplies, facilities or services ordered hereunder shall be furnished by and at the expense of the Seller. In the event any tooling (including tooling, if any, purchased hereunder) is furnished by Buyer at its expense or is furnished by Seller and the cost thereof paid by Buyer, such tooling shall be and remain Buyer's sole property and for Buyer's sole use and shall be subject to removal at any time at the option of the Buyer. Seller agrees, at its expense, to maintain in commercially usable condition and in good order and repair, appropriately identify mark where necessary, inventory, preserve and not to encumber, lien or pledge and to store all Buyer owned items of tooling referred to in this paragraph 23 for such period of time after performance or termination of the Purchase Order as may be mutually agreed upon by Buyer and Seller. Any and all items of tooling which are Buyer's sole property shall at any reasonable time be subject to inspection and examination by Buyer. Seller shall not substitute any property for Buyer's property and shall not use said property except in filling Buyer's purchase orders. Such property, while in Seller's custody and control, shall be held at Seller's risk, and shall be kept insured by Seller at Seller's expense in an amount equal to the replacement cost with loss payable to the Buyer, and shall be subject to removal at Buyer's written request, in which event Seller shall properly prepare such property for shipment and shall deliver same to Buyer in accordance with the shipping instructions in the Purchase Order or as otherwise agreed by the parties in the same condition as originally received by Seller, reasonable wear and tear excepted.
24. **NOTICE OF LABOR DISPUTES.** Whenever an actual or potential labor dispute is delaying or threatens to delay the timely performance of the order, Seller will immediately notify the Buyer of such dispute and furnish all relevant details. Seller will include a provision identical to the above in each sub-contract hereunder and immediately upon receipt of any such notice pass it on to the Buyer.
25. **GOVERNING LAW AND JURISDICTION.** The construction, validity, performance and termination of the Purchase Order shall be governed by and construed in accordance with Italian civil code and, without prejudice to the right of the Buyer to take action against the Seller in any other court of competent jurisdiction, any claim or dispute arising from the Purchase Order shall be subject to the exclusive jurisdiction of and be determined by the court of Monza (Italy).

Agreed and signed by a duly authorised representative of Seller:

Signature: ..... Date:.....  
 For and on behalf of (Name of Seller): .....

Hereby the Seller expressly accepts and approves the following clauses:  
 3 (DELIVERY), 9 (CHANGE ORDERS), 11 (TERMINATION), 15 (PATENTS, ROYALTIES AND ENCUMBRANCES), 25 (GOVERNING LAW AND JURISDICTION)  
 For and on behalf of (Name of Seller): .....