
GENERAL TERMS AND CONDITIONS FOR THE PURCHASE/SUPPLY OF GOODS

Valid from 1 January 2024

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1 General Terms and Conditions

1.1 Scope of Application

- 1.1.1 These general terms and conditions of contract (the “**General Terms and Conditions**”) apply to every contract for the purchase or supply of goods to which the Buyer is a party.

1.2 Definitions

- 1.2.1 In addition to the definitions envisaged in other clauses of the General Terms and Conditions, the following terms and expressions shall have the meaning attributed to them below. Terms and expressions defined in the singular shall have the same meaning when used in the plural, and vice versa. under the direction and coordination

- 1.2.2 “**Acceptance**” means the Order Letter signed by the Seller’s legal representative by way of the unconditional acceptance, on the Seller’s’ part, of the Contract’s terms and conditions

- 1.2.3 “**Purchaser**” means the company set forth in the Order Letter, part of Sorgenia’s group (for reference refer to <https://sorgenia.it/governance>), the supply is carried out for.

- 1.2.4 “**Good(s)**” mean the good(s) covered by the Contract.

- 1.2.5 “**Contract**” means the contract for the purchase of the Good(s) perfected through the Acceptance. The following documents are an integral part of the Contract:

- (i) “**Order Letter**” means the document in which, among other things, the subject-matter of the Contract, the term of the Contract and the specific economic and administrative rules that govern it are described and established;

- (ii) “**Price List**” means the document that contains the consideration for the Good(s);

- (iii) “**Technical Specifications**” means the document describing the technical qualities and setting out the specifications of the Good(s) agreed between the Parties;

- (iv) “**General Terms and Conditions**” means these General Terms and Conditions of Contract that the Buyer has put at the Seller’s disposal, which the Seller accepts with the Acceptance;

- (v) “**Draw-down Order**” means each of the orders containing detailed instructions about each individual delivery request in respect of the(s) Good(s) in question that the Buyer sends, while the Contract is valid, to the Seller with regard to Goods that are supplied from time to time or in a continuous manner, doing so in compliance with the provisions set forth in the relevant Order Letter.

- 1.2.6 “**Decree 231**” means Legislative Decree No. 231 of 8 June 2001 and subsequent amendments and additions.

- 1.2.7 “**Contract Documents**” means the documents listed and defined in paragraph 1.2.5, as well as any annexes attached thereto.

- 1.2.8 “**Force Majeure**” means objective and unforeseeable circumstances that are beyond the Parties’ control. The following are indicated, by way of example, as force majeure events: wars, fires, floods, earthquakes, general strikes called by the trade unions to which the Parties belong, lockouts and embargoes.
- 1.2.9 “**Confidential Information**” has the meaning set out in paragraph **Errore. L'origine riferimento non è stata trovata.**
- 1.2.10 “**Law**” or “**Applicable Legislation**” means any and every type and level of national, international, foreign or European Union legislation that is from time to time applicable to the specific case at hand.
- 1.2.11 “**Letter of Guarantee**” has the meaning set out in paragraph 7.
- 1.2.12 “**Model**” means the Organization, Management and Control model adopted by the Purchaser pursuant to Decree 231.
- 1.2.13 “**Party**” means, as the case may be, the Buyer or the Seller, whereas “**Parties**” means jointly the Buyer and the Seller.
- 1.2.14 “**Sanctions**” has the meaning set out in paragraph 1.12. The following is hereby specified:
- With regard to applicable U.S. sanctions, the U.S. Treasury Department’s Office of Foreign Assets Control (“**OFAC**”) is the main U.S. government agency responsible for administering sanctions. OFAC runs the following three types of sanctions programs (lists of which can be found at <https://ofac.treasury.gov/>):
 - A. *Comprehensive sanctions.* OFAC currently applies comprehensive economic sanctions against Cuba, the Crimean region of Ukraine, Iran, Syria, North Korea, Venezuela, and the so-called Donetsk and Luhansk People's Republics of Ukraine.
 - B. *List-based sanctions.* OFAC sanctions entities and individuals indicated on the OFAC Sanctions Lists, including the List of Specially Designated Nationals and Blocked Persons (the “**SDN List**”). It must be pointed out that, in those situations in which individuals or entities identified in the SDN List hold at least an overall 50% stake in any given entity, such entity will be blocked even if it is not itself designated in the SDN List. Additionally, OFAC has, as of the date of this Policy, placed individuals and entities on the SDN List for engaging in conduct concerning the following countries and regions: Balkans, Belarus, Burundi, Central African Republic, Darfur, Democratic Republic of the Congo, Hong Kong, Mali, Iraq, Lebanon, Libya, Myanmar, Nicaragua, Russia, Somalia, South Sudan, Ukraine, Yemen and Zimbabwe.
 - C. *Sectoral sanctions.* These sanctions target particular entities within specific sectors of a country's economy. Currently, the main sectoral sanctions imposed by OFAC concern the Russia/Ukraine program;
 - With regard to restrictive measures imposed by the European Union's common foreign and security policy (“**EU Sanctions**”), the European Union has adopted over forty distinct sanctions programs (see <https://sanctionsmap.eu/#/> main). EU Sanctions are legislated at European level by the Council of the European Union, but they are mainly enforced by nation states. EU Sanctions encompass a range of restrictive measures, including asset freezes, travel bans, export restrictions and sectoral embargoes. Since 31 December 2020,

the United Kingdom has been applying a number of autonomous sanctions programs outside the European Union. While the UK continues to fully adopt many EU sanctions, the UK sanctions list differs from the EU list of persons and entities subjected to sanctions and must be complied with separately.

1.2.15 “**Operational Premises**” means the Purchaser’s operational headquarters, namely the headquarters or office indicated in the Order Letter.

1.2.16 “**Authorized Persons**” has the meaning set out in paragraph 1.8.2.

1.2.17 “**Seller**” means the natural or legal person who, upon the Contract being entered into, has undertaken to sell or supply the Good(s) to the Purchaser.

1.3 Differences in the Contract Documents

1.3.1 With regard to the Contract Documents, it is hereby established that: (i) in the event of inconsistencies, documents shall prevail on the basis of the order indicated in point 1.2.5; (ii) the lack of one or more of these documents has no impact on the validity and effectiveness of the Contract and the remaining documents that are a part thereof in the event that this is due to the inapplicability thereof to the specific case at hand.

1.4 Notices

1.4.1. Any notice that the Parties serve on each other, which must always include the Contract number, must be given in writing and sent by e-mail to the addresses indicated for this purpose by the Parties in the Order Letter.

1.4.2. If no notice has been served in connection with the address that is to be used, notices shall be sent to the mailbox located at the other Party’s certified email address indicated in public registers.

1.5 Seller's Obligations

1.5.1 The Seller shall supply the Good(s) in a manner that is strictly compliant with the Contract Documents and the Law.

1.5.2 In the event that the Seller has received drawings or samples from the Purchaser in connection with the Technical Specifications, it shall respect the type, quality and performance thereof for the purpose of manufacturing the Good in question.

1.5.3 The Seller recognizes the Purchaser's right to inspect the Good’s manufacturing cycle.

1.5.4 The Seller shall deliver to the Purchaser any documents relating to the Good(s) or the related certifications before or while fully performing the Contract or, in the case of continuous supplies, at the time of each delivery.

1.6 Permits and authorizations

1.6.1 The Seller must obtain all of the permits and authorizations that might be necessary for the purpose of performing the Contract.

1.6.2 Failure to fulfill the obligations set out in this paragraph 1.6 entitles the Purchaser to terminate the Contract pursuant to Article 1456 of the Italian Civil Code.

1.7 The Good's Safety

- 1.7.1 The Seller warrants that the Good(s) comply(ies) with the Law, including current legislation on product safety and, where applicable, the provisions of Regulation (EC) No. 1907/2006 (concerning the registration, evaluation, authorization and restriction of chemical substances - REACH) and subsequent additions and amendments (most recently Regulation (EU) 2023/1132), Regulation (EC) No. 1272/2008 (relating to the classification, labeling and packaging of substances and mixtures - CLP) and subsequent additions and amendments (most recently with Delegated Regulation (EU) 2023/707) and Legislative Decree No. 81/ 2008 (regarding health and safety) and subsequent additions and amendments.
- 1.7.2 With regard to "Dangerous substances" indicated in Title IX of Legislative Decree 81/2008 concerning protection from chemical, carcinogenic and mutagenic agents, any Good(s) composed of substances or mixtures that are also classified under the law as chemical agents or that, even though they cannot be classified as dangerous, might pose a risk due to their chemical-physical, chemical, chemical-technological properties must be accompanied by the list of materials containing chemical agents that compose them, as well as by the related safety data sheets prepared in accordance with the current provisions of Law.
- 1.7.3 The safety data sheets must be delivered or sent electronically at the same time as the delivery of the Good(s).
- 1.7.4 In the event that the materials composing the Good(s) are, for any reason whatsoever, replaced and/or undergo (even upon the Purchaser so requesting) variations following the issuance of the Order Letter and prior to delivery of the Good(s) that are such as to modify the classification thereof for the purposes of assessing workplace and environmental risks, the Seller must promptly send to the Purchaser the updated list of materials containing chemical agents and the safety data sheets relating to the new materials included in list, as well as any safety data sheets that are an update on those that have already been provided.

1.8 Duties of Confidentiality

- 1.8.1 The term "**Confidential Information**" means all the information and data of any sort whatsoever provided by the Purchaser to the Seller in writing, orally or in any other form, which refer in any way whatsoever to the Contract, as well as all the analyses, evaluations, reports and documents that, for any reason and in any way whatsoever, contain or reprocess, with the exception of data and information, Confidential Information:
- (i) that is in or comes into the public domain for reasons other than a breach of Contract;
 - (ii) of which the Seller can demonstrate that it legitimately possessed it already prior to the notice given by it pursuant to the Contract;
 - (iii) the disclosure of which is legitimately and definitively imposed on the Seller by the law or court orders, provided that the Seller has given the Purchaser immediate notice thereof in order to allow the latter to take any appropriate action to prevent or limit such disclosure.
- 1.8.2 All of the Confidential Information received (or otherwise acquired) by the Seller or by its auxiliaries and controlled or affiliated companies (hereinafter called the "**Authorized Parties**")

must be kept strictly private and confidential and may not be disclosed or made available in any way whatsoever to third parties without the Purchaser's prior written consent. The Seller shall enforce, also through the Authorized Parties, the obligations set out in this Article.

1.8.3 The Seller undertakes, in particular:

- (i) to diligently preserve and safeguard Confidential Information;
- (ii) to prevent third parties from having access to Confidential Information;
- (iii) to use the Confidential Information solely for contractual purposes;
- (iv) not to copy, photocopy or reproduce any Confidential Information;
- (v) to hand back to the Purchaser, upon the latter making a written request to this effect, all paper, electronic, magnetic or other media containing the Confidential Information;
- (vi) to destroy, upon the Purchaser making a written request to this effect, all paper, electronic, magnetic or other media containing the Confidential Information, including all the copies thereof.

1.8.4 The Seller takes upon itself any and every liability for any disclosure or use of Confidential Information in breach of this Article.

1.8.5 The Seller acknowledges that any Confidential Information it may receive from the Purchaser is confidential proprietary data, which shall remain the Seller's exclusive property. The Purchaser shall not be responsible for the completeness and accuracy of the Confidential Information that might be provided to the Seller.

1.8.6 The duties of confidentiality shall remain in force for the entire term of the Contract and for a further 3 (three) years from the date of the termination thereof.

1.9 Trade secrets

1.9.1 In addition to the duties of confidentiality referred to in the previous paragraph, the Seller shall, even through Authorized Parties, not use, without the Purchaser's prior written consent, for the benefit of third parties:

- (i) drawings, models, or products that have been manufactured or services provided on the basis of Confidential Information;
- (ii) parts, tools, and products that have been developed or perfected by Purchaser in conjunction with Seller pursuant to the Contract.

1.10 Industrial and intellectual property

1.10.1 The Seller warrants that the Good(s) supplied by it, as well as their possible components and accessories do not infringe industrial or intellectual property rights, or other third-party rights, and it undertakes to indemnify and hold harmless the Purchaser from any third-party claims made in this regard.

1.10.2 The Seller waives the right to assert any industrial or intellectual property rights over the Good(s) vis-à-vis the Purchaser and its assigns.

1.11 Administrative liability of companies pursuant to Decree 231

1.11.1 The Seller declares that:

- it knows the content of Decree 231 and shall abstain from behavior capable of being categorized as the crime referred to therein; and
- it has read the Model, of which the code of ethics adopted by the Sorgenia group is an integral part thereof (which can be consulted on the website <https://www.sorgenia.it/governance>), and undertakes, in light thereof, to observe it and adjust its conduct to the principles indicated therein for the entire term of the Contract, as well as to promptly report any (even alleged) breaches of the aforementioned documents, using the methods specifically that have been activated (as indicated within each Model, as well as in the Sorgenia Group code of ethics);
- it shall verify, for the entire term of the contractual relationship, any further updates to the Model and the Sorgenia group code of ethics (which can be consulted on the website <https://www.sorgenia.it/governance>) and comply with their principles.

1.11.2 The Seller declares that it is aware of the fact that compliance with the Model and the Sorgenia group code of ethics are an essential part of the Purchaser's business organization and this has had a decisive impact on the latter's decision to sign the Contract. Therefore, any violation of the principles and conduct referred to in the Model by the Seller shall constitute a serious breach, pursuant to Article 1455 of the Italian Civil Code and shall entitle the Purchaser to terminate the Contract pursuant to Article 1456 of the Italian Civil Code by merely giving notice in writing, without prejudice to compensation for any loss that has been suffered. The aforementioned breaches shall also lead to termination, always with immediate effect and pursuant to Article 1456 of the Italian Civil Code, of any other agreement, contract, obligation or covenant, regardless of how it is called, into which the Parties have entered and without prejudice to the Purchaser's right to compensation for the losses suffered by it.

1.12 Prevention of Terrorism

1.12.1 The Seller warrants that it shall at all times comply with all of the applicable regulations and prohibitions administered by the United Nations, the European Union, Canada and the United States containing prevention of terrorism measures, sanctions, trade embargoes, export and trade controls (including, but not limited to, export controls administered by the European Union and the U.S. Department of Trade's Bureau of Industry), collectively, the "**Sanctions**", and that neither it, nor any of its subsidiaries or affiliates, nor any of the respective officers, directors or employees are currently: (i) included in any restricted party lists under the Sanctions; (ii) organized or located in a jurisdiction that is fully sanctioned under the Sanctions; (iii) the persons identified in (i) or (ii); or (iv) that are involved in any violation, government investigation or enforcement action related to the Sanctions do not hold at least an overall 50% stake in the Seller.

1.12.2 The Seller represents and warrants that it shall inform the Purchaser in the event of any changes to the initial terms and conditions occurring during this Contract.

1.13 Processing of personal data

- 1.13.1 The Parties acknowledge, in application of Regulation 2016/679/EU and Legislative Decree 196/03 (which refers solely and exclusively to the personal data of "natural persons") that any personal data acquired by them are collected and processed, also with the aid of electronic means, solely for purposes that are connected to the performance of the activities envisaged in the Contract, or to perform obligations established under the law.
- 1.13.2 The Parties shall be responsible for complying with the aforementioned legislation on the protection of personal data, each independently and in relation to the processing of data carried out by each of them for the purpose of implementing what has been contractually agreed.
- 1.13.3 Each Party shall indemnify and hold the other Party harmless from any burden or loss that might be caused by the failure to comply with the legislative requirements regarding the protection of personal data.

2 Fee, invoicing and payment terms

2.1 Fee

- 2.1.1 The price for the Good(s) is considered fixed and invariable, unless otherwise indicated in the Order Letter.
- 2.1.2 The agreed fee takes into account any possible increase in costs and expenses incurred by the Seller, who takes upon itself the risk of any increase, even if it is unforeseeable or of a considerable size, waiving the entitlements and rights referred to in Article 1467 of the Italian Civil Code.

2.2 Billing

- 2.2.1 Invoices must comply with the Law and be registered and indicate the address set out in the Order Letter. Each invoice must refer to the relevant Order Letter and must be issued in the currency specified in such Order Letter. In the case of partial delivery, the invoice must indicate whether the delivery is to be paid as an advance payment or as the balance. The invoice must reach the Purchaser within 5 (five) days of total or partial delivery of the Good(s).
- 2.2.2 Invoices that do not comply with the provisions of paragraph 2.2 shall not be considered valid for the purpose of the payment.

2.3 Payment methods and default interest payment

- 2.3.1 The payment deadline for regularly issued invoices is indicated in the Order Letter. In the event that the deadline is not indicated, a deadline of 90 (ninety) days from receipt of the invoice applies. Payment is made subject to the accounts being audited.
- 2.3.2 In case of late payment, default interest shall amount to the statutory rate increased by 1% (one percent) and, in derogation of Article 4 of Legislative Decree 231/02, it shall begin to take effect only upon the Purchaser's receipt of a specific formal letter of notice issued by the Seller. Default interest shall, when applicable, fully satisfy any request or right to compensation for losses suffered by the Seller in connection with late payments.

3 Delivery

3.1 Place and terms of delivery

- 3.1.1 The Goods shall be delivered in accordance with what has been indicated in the Order Letter.
- 3.1.2 In the event that the Order Letter does not establish the place of delivery and/or the agreed Incoterms handover, the following terms and conditions shall apply:
 - (i) the place of delivery shall be the Purchaser's Operational Premises, as identified in the Order Letter;
 - (ii) the Seller assumes all risk of damage or total or partial loss of the Good(s) until it has been delivered;
 - (iii) transport insurance is the Seller's responsibility.

3.2 Delays in delivery

- 3.2.1 The delivery deadlines indicated in the Order Letter are considered mandatory and essential. The Purchaser is not obliged to accept partial deliveries or deliveries after the expected deadline.
- 3.2.2 Delays in delivery shall be justified only if caused by proven grounds of Force Majeure.
- 3.2.3 In case of delay, any penalties envisaged in the Order Letter shall apply, without prejudice, in any case, to the right to compensation for greater losses (including indirect, consequential damages and loss of profit).
- 3.2.4 The Seller is obliged to immediately report in writing the occurrence of any cause of delay. Any delays accepted by the Purchaser in writing shall give rise to a corresponding extension of the delivery terms.
- 3.2.5 In the event that the Seller has undertaken to supply Goods to the Purchaser on a continuous or repeated basis over time, the recurrence of the delay in the delivery thereof entitles the Purchaser to terminate the Contract pursuant to Article 1456 of the Italian Civil Code.

3.3 Partial or inconsistent delivery

- 3.3.1 In case of agreed partial delivery, the Seller must indicate whether it is a final delivery or a pre-delivery.
- 3.3.2 The Purchaser Deliveries may legitimately refuse deliveries that do not comply with the Contract Documents or the Law and any costs for collecting the non-compliant Good(s) shall be borne by the Seller.

4 Accompanying document – Packaging

- 4.1.1 All Goods must be accompanied by a regular "shipping document" that is compliant with Law.
- 4.1.2 The shipping document must be delivered in a duplicate copy.

- 4.1.3 The packaging must be suitable for the safe shipment of the Good(s), it being understood that all losses suffered on account of packaging defects shall be borne by the Seller, even if it is agreed that the material should be returned ex-works.
- 4.1.4 With regard to goods that, according to the Law or due to their environmental impact, require special treatment in terms of the packaging, shipment, storage, handling and disposal thereof, the Seller shall submit to the Purchaser a safety data sheet completed in all the parts thereof and the data sheet required for any sale abroad, as well as a specific information sheet for those situations in which an accident occurs (shipment).

5 Warranty, quantity and quality

5.1 Warranty term

- 5.1.1 The Seller warrants, for a term of 24 (twenty-four) months from the moment of delivery or from the commissioning thereof, whichever is later (if agreed between the Parties and specified in the Order Letter, except in any case provided in the Order Letter), that the Good(s) are fit for use and that there are no defects or non-conformities.
- 5.1.2 The warranty shall be automatically renewed for the same period for all replaced or repaired parts, starting from the date of the replacement, repair or restart thereof, whichever is later.
- 5.1.3 The warranties given by the Seller in this Article 5 are not limited by any checks, inspections or controls conducted by the Purchaser.

5.2 Amount

- 5.2.1 In the case of goods supplied continuously or from time to time (in those situations in which the Goods have been delivered in quantities that are not those that had been agreed), the Purchaser may decide to:
- (i) accept the quantities that have been actually delivered and make the same amounts of changes in any subsequent supplies;
 - (ii) request and procure that the Seller collects the quantities in excess of what has been ordered, with the right to return the Goods directly at the Seller's expense and risk, and charge the Seller for all of the ensuing charges and any storage costs, and without prejudice to the right to be repaid any advance payments that have already been paid to the Seller;
 - (iii) request and obtain from the Seller the immediate return of the missing Goods, charging, in any case, the Seller the resulting costs and expenses and, in any case, without prejudice to compensation for the losses that have been suffered.

The Purchaser must exercise the rights envisaged above within 20 (twenty) days of the date of delivery of the Goods (and, in the case of split delivery, within 20 (twenty) days of the date of completion of the supply).

5.3 Quality

- 5.3.1 The Seller warrants that the Good(s) is/are free from obvious or hidden defects and compliant with the Contract Documents and the Law. The Good(s) shall, for example, be considered defective in the event that:
- (i) it(they) (they) do(es) not comply with what is prescribed in the Contract Documents; or
 - (ii) it(they) do(es) not reflect the characteristics possessed by the samples and prototypes delivered by the Seller; or
 - (iii) it(they) is (are) not suitable for the agreed use, the ordinary use or the special use that the Purchaser has communicated to the Seller.
- 5.3.2 The Purchaser is entitled to carry out checks at the Seller's premises so as to ensure the correct execution of the Good(s) and compliance with the Law.
- 5.3.3 Without prejudice to any rights inuring to the Purchaser pursuant to the Contract and the Law, the Seller, upon the Purchaser so requesting and within the reasonable deadline set by the Purchaser, shall have to repair or replace the defective Good(s) at its own care and expense. Should the Seller not comply with the foregoing, the Purchaser may, alternatively and at its sole discretion:
- (i) terminate the Contract pursuant to Article 1456 of the Italian Civil Code;
 - (ii) obtain a reasonable price reduction, or
 - (iii) in the event that only part of the Goods are defective, have the remaining part of the goods supplied by third parties of its choice and at the Seller's expense.
- 5.3.4 By way of derogation from Article 1495 of the Italian Civil Code, the Purchaser shall report defects or non-conformities of the Good(s) to the Seller within 20 (twenty) days of the discovery thereof.
- 5.3.5 The Seller shall indemnify the Purchaser from any third-party damage, action, right or claim arising from flaws or defects in the Good(s).

5.4 Penalties for faults or defects

- 5.4.1 The Order Letter may establish penalties that are applicable to delays, specific defects or non-conformities of the Good(s) that can be detected at the Purchaser's sole discretion, without prejudice, in any case, to the right to compensation for greater losses.

6 Insurance

6.1 Seller's Insurance

- 6.1.1 The Seller must ensure, at its own expense, that an insurance policy is taken out with a major insurance company and continues to be in force for the entire term of the Contract and in any case until the expiry of the warranties issued therein, envisaging deductibles and limits that are adequate for the supply of goods being dealt with in the Contract and covering its liability towards

the Purchaser or third parties for losses suffered for any reason whatsoever, including those incurred as a result of the producer's liability arising from or connected with the performance of the Contract. The Seller must give the Purchaser a copy of the insurance policy before the start of the Contract's performance.

- 6.1.2 The policy must envisage the insurance company's express waiver of any action for damages against the Purchaser.
- 6.1.3 The Seller must in any case indemnify and hold the Purchaser harmless from any and every claim asserted by third parties in those situations in which it does not comply in whole or in part with the aforementioned obligation or in respect of anything that is not covered by the said policy.

7 Letter of Guarantee

7.1 Obligation to deliver the Letter of Guarantee

- 7.1.1 The Supplier shall, in those situations that are explicitly envisaged in the Order Letter, deliver to the Purchaser, together with the Acceptance, a letter of guarantee ("**Letter of Guarantee**") for a sum amounting to the Consideration, or for the percentage that might be agreed between the Parties and indicated in the Order Letter, so as to guarantee compensation for losses caused by any failure on the Seller's part to fulfill its contractual obligations.

7.2 Nature, terms and conditions of the Letter of Guarantee

- 7.2.1 The Letter of Guarantee must be issued by a major Italian financial institution, or by a subsidiary office based in the national territory of a major foreign financial institution, or by a major Italian insurance company that is authorized to operate in Italy pursuant to the law and in any case subject to the Purchaser's approval.
- 7.2.2 The Letter of Guarantee must be valid and unconditionally binding, irrevocable and enforceable upon first demand and must be understood as an "autonomous guarantee" for all legal intents and purposes.
- 7.2.3 The wording of the Letter of Guarantee must conform to the form attached to the Order Letter. The Letter of Guarantee must specify that the obligation that has been undertaken is an "independent guarantee contract" and that the benefits, rights and terms and conditions referred to in Articles 1945, 1955 and 1957 of the Italian Civil Code are not applicable and must therefore be considered waived for all intents and purposes.
- 7.2.4 In the event that the amount envisaged in the Letter of Guarantee is not sufficient to compensate the entire amount of losses suffered by the Purchaser, the Seller shall be obliged, in any case, to compensate the Purchaser for further losses suffered by the latter.
- 7.2.5 The Seller is, in any case, obliged to repay, in whole or in part, the amount of the Letter of Guarantee of which the Purchaser has availed itself during the performance of the Contract.
- 7.2.6 The Letter of Guarantee shall, in the event that Goods are supplied from time to time or in a continuous manner, be released 24 (twenty-four) months after the delivery of the said Good(s) or

the completion of the supply of the Goods or any such different term envisaged in the Order Letter.

- 7.2.7 Should the Seller not deliver the Letter of Guarantee to the Purchaser when communicating its Acceptance, the Purchaser shall be entitled to declare the Contract automatically terminated pursuant to Article 1456 of the Italian Civil Code.

8 Subcontracting and assignment of the Contract

8.1 No subcontracting

- 8.1.1 The Seller is prohibited from entrusting, in whole or in part, the direct or indirect manufacturing or supply of the Good(s) to third parties without the Purchaser's prior consent in writing.
- 8.1.2 In case of violation of the prohibition referred to above in paragraph 8.1, the Purchaser is entitled to terminate the Contract pursuant to Article 1456 of the Italian Civil Code.

8.2 No assignment of the Contract on the Seller's part

- 8.2.1 The Seller is prohibited from assigning, in whole or in part, the Contract or the receivables arising therefrom without the Purchaser's prior written consent.
- 8.2.2 In case of violation of the prohibition referred to in paragraph 8.2, the Purchaser is entitled to terminate the Contract pursuant to Article 1456 of the Italian Civil Code.

8.3 The Purchaser's entitlement to assign the Contract

- 8.3.1 The Purchaser is entitled to directly or indirectly assign, in whole or in part, the Contract to subsidiaries, parent companies and companies subjected to common control pursuant to Article 2359, paragraphs 1 and 2 of the Italian Civil Code. The Seller hereby consents to the aforementioned assignment.

9 Termination and Withdrawal

9.1 Express termination clause

- 9.1.1 The Contract is automatically terminated pursuant to Article 1456 of the Italian Civil Code in those situations envisaged in paragraphs 1.6.2 (*Permits and authorizations*), 1.11.2 (*Administrative liability of companies pursuant to Legislative Decree No. 231 of 8 June 2001*); 3.2. (*Delays in delivery*), 5.3. (*Quality*), 7.2.7 (*Letter of Guarantee*); 8.1. (*No Subcontracting*); 8.2. (*No assignment of the Contract on the Seller's part*). The Contract shall be terminated when the Purchaser gives the Seller notice in writing that it intends to avail itself of this express termination clause.

9.2 Formal Letter of Notice

9.2.1 In any case of the Seller's breach of its obligations under the Contract, the Purchaser may give the Seller notice in writing to cure within 15 (fifteen) days of receipt of the notification, with the warning that, should the said deadline expire without the Seller having acted, the Contract shall certainly be considered terminated, in whole or in part, without prejudice to the Purchaser's right to request compensation for all of the losses suffered as a result of the aforementioned breach.

9.3 The Purchaser's unilateral withdrawal

9.3.1 The Purchaser is entitled to withdraw from the Contract in the following situations:

- i) in the event of a Good being purchased before the Contract has begun to be performed, by the Seller giving notice in writing;
- ii) in the event of Goods being supplied in a continuous manner or from time to time at any time whatsoever, by the Seller giving notice in writing.

9.3.2 In any event, withdrawal takes effect from the day on which the relevant notice reaches the Seller, unless the notice of withdrawal envisages the deferred effectiveness thereof.

9.3.3 In any case of withdrawal by the Purchaser, the Seller shall not be entitled to any compensation, reimbursement, damages for loss of earnings, or other amount, regardless of how they are called, except (in the case of supply of Goods) for the reimbursement of costs and expenses that the Seller has already incurred under the Contract and provided that they are duly proven.

10 Applicable law. Competent judicial authority

10.1 Applicable law

10.1.1 The Contract is governed by Italian law and any other Applicable Legislation.

10.2 Jurisdiction

10.2.1 Any dispute relating to or in any case concerning the validity, interpretation, effectiveness, execution or termination of the Contract comes within the scope of the Court of Milan's exclusive jurisdiction.