

GENERAL TERMS AND CONDITIONS OF PURCHASE - CGF.LMS.8.4-1 rev.02

1. Introduction

These General Terms and Conditions of Purchase ("GTC") apply to all supplies of goods, products, movables, materials ("Goods"), to all services of any kind, professional activities, also consultancy ("Services") carried out by any company ("Supplier") in favour of Lumson S.p.A. ("Lumson") in performance of contracts, in any form whatsoever (i.e. including but not limited to, by way of contract with simultaneous signature of the parties, by way of exchange of correspondence or by way of confirmation - whether express or by conclusive facts - of purchase orders).

The GTC may be supplemented or amended by specific provisions set forth in orders or contracts, it being understood that although the latter shall prevail over the content of the GTC, the effectiveness of such supplements or amendments shall be limited to the specific order or contract. Accordingly, the Supplier waives the application of its own general or particular terms and conditions of sale, which shall therefore be deemed to be ineffective between the parties, except in the event of express acceptance by Lumson in writing (by fax, email or certified email). Any differences or changes in the order confirmation with respect to what is contained in the order or, alternatively, in these conditions, shall not be considered valid and effective unless they have been accepted by Lumson.

2. Orders and their amendments and confirmations

An order shall become binding and irrevocable for Lumson from the moment the order confirmation duly signed by the Supplier for acceptance is received by Lumson.

Lumson may revoke any order if the Supplier does not return to Lumson the order confirmation duly countersigned for acceptance of all the conditions thereof within 3 (three) days from receipt of the order.

By accepting the order, the Supplier undertakes to supply any Good or Service according to the qualities and quantities indicated in the order. The Goods or Services supplied shall be perfectly fit for their intended use.

The Goods and Services shall also comply with all applicable laws, rules and regulations, including those relating to accident prevention and environmental/ecological hygiene, in force in Italy and Europe on the date of their delivery.

Any drawings, data or technical information forwarded by Lumson for the purpose of carrying out the adaptations or improvements shall be deemed to have been approved and accepted by the Supplier if the latter does not communicate its reservations before the commencement of the execution of the order and in any event no later than 7 days after receipt of the purchase order.

Variations by the Supplier to the supply of any Goods or the performance of the Services, with respect to what is prescribed in the purchase order, shall be deemed accepted by Lumson, unless Lumson communicates in writing its rejection of the Supplier's proposals.

3. Arrangements for the Supply and Freight of Goods and the Provision of Services

3.1. The Supplier undertakes:

- to deliver, at its own care and expense, the ordered Goods to the places indicated in the order, unless otherwise agreed between the parties;
- to execute the delivery by providing the Goods with a regular freight document or other legally valid substitute document, which shall contain the relevant order number issued in addition to the description, the Lumson codes and the quantity and unit of measure of the Goods to be delivered. Lumson's warehouse shall not accept Goods that are not accompanied by a freight document or any other legally valid substitute document containing the minimum information necessary for the traceability of the delivered Goods;
- to carry out the packing, loading and unloading, freight and delivery of the Goods supplied, as well as any disposal of residual Goods, at its own care and expense, ensuring full compliance with all applicable regulations, unless otherwise agreed between the parties. The Goods shall be shipped in suitable packaging to ensure their arrival at destination in perfect condition and shall travel at the Supplier's full risk until their acceptance by Lumson, at the agreed place of delivery, unless otherwise agreed by the parties. The above is also stipulated in the Logistical Supply Specifications available to the Supplier;
- to inform Lumson of any accidental event or possible defect in the Goods supplied - as soon as it becomes known - that may affect the safety of their use or processing or make them non-compliant with legal requirements or agreed conditions;
- to perform the activities covered by the Services in good faith, with the degree of diligence required by the nature of the service provided, and in accordance with the best practices in force for the specific type of activity provided.

3.2. Goods must be packaged in compliance with current safety regulations, so as to safeguard the integrity of both those involved in handling operations and the good itself, facilitating unloading and inspection.

4. Warranty

- The Supplier declares that it has the necessary experience and possesses all adequate means, personnel and organisation for the proper and timely execution of the order.
- The Supplier undertakes to fulfil the order in a perfect and workmanlike manner, also in compliance with the provisions deriving from the applicable relevant national and EU regulations, and is liable to Lumson for any known or knowable defect and/or non-conformity of the goods or of the service provided.
- Unless otherwise stipulated in the order, the Supplier warrants the fitness for use of any goods supplied for a minimum period of 24 (twenty-four) months from the time of acceptance of delivery.
- If the quantities of delivered Goods returned do not conform to the volumes agreed upon in the order, Lumson may, at its discretion (a) accept the quantities delivered; (b) not accept the excess quantities, requesting the Supplier to collect the quantities in excess of those ordered, with the right to return them directly at the Supplier's expense and risk and to charge the Supplier for the financial charges resulting from any payment already made and storage costs if the latter does not do so promptly; (c) have the Supplier immediately send the missing quantities of goods, charging in any case the charges and costs resulting from the Supplier's default.
- In the event of a defect, flaw and/or non-conformity of the goods, Lumson has the right, at its own choice, to (a) reject the entire supply, with the obligation for the Supplier to collect the delivered and non-accepted Goods at its own expense within 10 (ten) business days from the date of receipt of the notice of non-acceptance, after which Lumson shall return the Goods at the Supplier's expense and risk (b) obtain the restoration, free of charge, of the conformity of the Goods by repair or replacement thereof; (c) obtain an appropriate price reduction; or (d) invoke the termination of the contract or the cancellation of the order and any other remedy at law. In any event, the Supplier shall be charged the cost of disassembly, assembly and ascertainment of the defect/defect and of repair or replacement, as well as freight costs, without prejudice to further damage, as provided for in Article 17.2. If the Supplier fails to do so, Lumson may also, if only part of the goods supplied is defective, have only the defective goods supplied by third parties of its choice and at the Supplier's expense.
- Repairs or replacements shall be carried out within a reasonable period of time, in any event not exceeding 5 business days from receipt of the samples representative of the defect and/or within a different period specified by Lumson, and shall not cause inconvenience to Lumson, taking into account the nature of the good and the purpose for which it acquired them.
- Notwithstanding the different term laid down in Article 1495 of the Italian Civil Code, Lumson may report defects in the Goods supplied by the Supplier within: (a) 90 (ninety) days from acceptance of delivery of each product in the case of obvious defects or (b) 90 (ninety) days from discovery of the defect in the case of hidden defects.
- The Supplier shall provide a warranty of a further 12 (twelve) months, under the same conditions as set forth in the preceding paragraphs of this article, for each replacement, repair or correction carried out during the warranty period, starting from the day on which such replacement, repair or correction has been successfully and satisfactorily completed.
- The Supplier agrees that the warranties specified herein shall be in addition to any warranties imposed by law or expressly given by the Supplier and to any other warranties, whether express or implied, applicable to the relevant purchase. These warranties are independent of any testing, acceptance or payment by Lumson.

5. Indemnity and insurance

The Supplier shall be exclusively liable to Lumson and to any third party for any damage to things and/or persons, property and/or any other tangible or intangible damage, loss or prejudice, caused by the non-fulfilment or improper fulfilment of these GTC, of the obligations under the contract or the purchase order.

The Supplier agrees to indemnify and hold Lumson harmless from and against any and all losses, claims, costs or expenses (including court fees) of the latter arising out of or in connection with any defect or defect in the Goods and Services and in any event any breach of these GTC, the contract or the order or otherwise in connection with the supply of the Goods and performance of the Services.

The purchase order may provide for the Supplier to take out suitable insurance policies to cover any liability, direct or indirect, that may arise against Lumson from the supply.

6. Delivery Terms

- Delivery dates, deadlines and schedules are binding and mandatory on the Supplier. It is therefore not permissible for Goods to be delivered, and Services to be made, late, nor in advance of even periodically agreed deliveries, unless otherwise agreed upon in writing between the parties. Goods delivered in advance of the agreed date without a specific request from Lumson may be refused by Lumson, in which case the Goods shall be returned to the Supplier at its care and expense. If Lumson decides to retain the Goods and not to return them, the payment terms shall nevertheless run from the agreed delivery date.
- In the event of delay for the delivery, in whole or in part, of the Goods covered by the order or for the performance of the Services, liquidated damages may be applied, subject to compensation for greater damages and unless otherwise specified in the order, calculated on the entire amount of the order, namely:
 - 4% from 7 to 12 days late, 6% from 13 to 20 days late, 8% over 20 days late;
 - 1% for each additional week of delay, up to a maximum of 10% of the order value.In the event of a delay of more than 20 calendar days, Lumson shall, in addition to the accrued liquidated damages and any further damage, also be entitled to terminate the contract pursuant to Article 1456 of the Italian Civil Code. If the execution of the order is prevented by the occurrence of proven circumstances of force majeure, as established in Article 8.2, the delivery terms shall be deemed extended and the new term shall be established by mutual agreement between the parties, provided that the Supplier has informed Lumson in writing no later than 2 days after the occurrence of the hindering event and has taken all necessary actions to limit the effects of the force majeure event that has occurred.
- Lumson's acceptance of a late delivery shall not and cannot in any way be construed and equated as a waiver by Lumson of its right to obtain payment of liquidated damages and/or any compensation for greater damages.

7. Right of withdrawal for the supply of Goods

- Lumson has the right to withdraw from the order at any time and for any reason and/or cause whatsoever, subject to written notice by registered letter with return receipt or registered email addressed to the Supplier within and no later than 30 (thirty) days from delivery of the Goods, undertaking to return the Goods intact.
- In the event of withdrawal in respect of orders that have not yet been executed, from the moment of receipt of the registered letter with acknowledgement of receipt or the certified email, the Supplier shall immediately stop the execution of the order.
- In the event of termination described in 7.1 and 7.2 above, the parties shall negotiate in good faith the amount of an indemnity in favour of the Supplier. The aforesaid indemnity paid by Lumson to the Supplier, in full satisfaction of any of its claims, shall in any event not exceed the costs actually incurred and duly documented by the Supplier for the performance of each contract or order in respect of which the right of withdrawal has been exercised, unless otherwise agreed in writing between the parties.
- Accordingly, the Supplier waives the assertion of any further claims other than those set forth in paragraphs 7.1 and 7.2. Any payments already received by the Supplier prior to Lumson's exercise of its right of termination shall be immediately returned to Lumson and/or, at Lumson's discretion, set off against other sums owed to the Supplier, including those from other orders.

8. Force majeure

- Neither party shall be liable for delays or non-performance due to force majeure.
- Force majeure is defined as the occurrence of extraordinary and unforeseeable circumstances beyond the control of the parties, including but not limited to war (whether declared or not), revolution, national strikes, shortages or restrictions in the supply of power or energy, fuel, transportation, vehicles or other goods or services, natural disasters unacceptable weather conditions, governmental decrees, traffic accidents, import/export bans, fires, explosions, floods, sabotage, social strife, riots, and breakage or loss during transportation or storage, as well as delays in delivery by subcontractors (if due to force majeure as defined herein), pandemic. These are events, such as to materially prevent the performance of all or part of the obligations under the order, which, therefore, the parties themselves could not foresee, prevent or avoid, acting with due diligence and taking all reasonable commercial and technical measures.
- The party intending to invoke force majeure shall notify in writing to the other party of its intention within seven business days after the occurrence of the event. Within 5 business days after the termination of the force majeure event, the same party shall notify the other of the termination. Without prejudice to the foregoing, if the event attributable to force majeure should lead to a delay of more than 30 days from the scheduled delivery date, Lumson may withdraw from the order by notice to be sent to the Supplier by registered letter with acknowledgement of receipt or certified email.

9. Intellectual and Industrial Property

- The Supplier warrants that the Goods are not the subject of patent rights or any other intellectual and industrial property rights of third parties. In any event, it expressly undertakes to defend and hold Lumson fully indemnified and harmless against any third-party claim in this respect.

10. Confidentiality

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- 10.1. Unless the parties agree otherwise, the Supplier undertakes to accept a specific and separate confidentiality agreement prepared by Lumson and to abide by its contents.
- 10.2. In any event, the Supplier undertakes to keep confidential, and to instruct its personnel to keep confidential, all data, information, documents and news that will in any way come to its knowledge in connection with the performance of the services covered by the order.
- 10.3. Unless otherwise agreed in writing, the Supplier shall keep confidential any concepts, ideas and methods that are instrumental to the performance of the contractual obligations, even if they have been implemented by the Supplier.
- 10.4. The Supplier undertakes to use the utmost care and discretion with regard to such confidential data in accordance with the relevant regulations.
- 10.5. Finally, the Supplier agrees that breach of any of the obligations relating to this confidentiality clause is likely to cause serious and irreparable damage to Lumson; such breach shall also result in the automatic termination of the contractual relationship.

11. Processing of personal data

The Parties undertake to exchange, in compliance with the requirements of the European Data Protection Regulation 2016/679, all data necessary for the performance of the Contract. The personal data processed in connection with the relationship established between the parties in particular refer to employees, staff in general and independent contractors of the counterparties. More specifically, Lumson will process such data for the following purposes:

- fulfilment of the obligations contained in the contractual clauses;
- management of relations between the parties;
- fulfilment of obligations under the law;
- administrative/accounting management;
- management of any disputes;
- intra-group reporting activities;
- internal and external control activities (safety, productivity, quality of services, asset integrity);

The Parties shall observe and enforce, to the extent of their responsibility, EU Regulation 2016/679, without any additional burden on the other party. The data will be processed in paper and electronic form and for the purposes indicated in this Contract. The provision of data is necessary and without it the contract cannot be properly performed. The Supplier represents that it is aware of the security measures provided for by the legislation on the protection of personal data and, in the performance of the Contract, it will use qualified and absolutely trustworthy personnel, guaranteeing the confidentiality and security of data, information and archives in compliance with the security measures to minimise the risks of destruction or loss, even accidental, of personal data, unauthorised access or processing that is not permitted or does not conform to the purposes of collection. All of the aforementioned data and documents constituting the contractual relationship will be retained for the fulfilment of all possible fulfilments connected with or arising from legal or contractual obligations, as provided for by the relevant regulations.

12. Governing law and jurisdiction

- 12.1. These GTC and all contracts entered into between the Supplier and Lumson are governed by Italian law, with the express exclusion of the application of the Vienna Convention and the rules of private international law.
- 12.2. Any dispute that may arise between the parties as a result of the interpretation, validity or performance of these GTC and of the relevant agreements entered into shall be subject to the exclusive jurisdiction of the Court of Milan, with the express exclusion of the jurisdiction of the other Courts provided for by law on an alternative and/or optional basis.

13. Passing the risk

- 14.1 Unless otherwise agreed upon in writing between the parties, the delivery of the goods shall be deemed to be "DDP - Delivered Duty Paid" (Incoterms 2020). Any risk associated with the loss of the delivery is transferred to Lumson after the goods have been unloaded at the place agreed upon by the parties.

14. Price, invoicing and payment terms

- 14.1. Unless otherwise agreed upon in writing between the parties, prices shall be as Delivered Duty Paid, (Incoterms 2020) as specified in the individual order. Value Added Tax (VAT) is excluded.
- 14.2. The price of the Goods and Services is exclusively that stated in the order. Unless otherwise agreed in writing, this price is to be regarded as fixed, not subject to revision or adjustment and inclusive of all costs, including packaging and shipping.
- 14.3. The Supplier shall send invoices to Lumson in accordance with the order. The invoices themselves shall contain the order references, quantity and description of the Goods supplied, date and reference of the delivery note and detailed price, and shall be accompanied by the necessary supporting documentation.
- 14.4. Each delivery, even partial, shall be followed by a regular invoice issued in accordance with current legislation.
- 14.5. Invoices not complying with the above conditions shall be treated by Lumson as null and void and shall be sent back to the Supplier.
- 14.6. The deadline for payment shall be the one stated in the order.
- 14.7. The Supplier's claim may not be assigned to a third party unless authorised in writing by Lumson. Furthermore, any possibility for the Supplier to give third parties mandates for collection or otherwise make use of other forms of delegation for collection shall be excluded.
- 14.8. Quotations are binding on the Supplier.
- 14.9. Any advance payment for deliveries made does not amount to approval thereof.
- 14.10. Pro-rata invoicing for orders with a single delivery date is not permitted.
- 14.11. For orders with several delivery dates within the same month, only one monthly invoice is required. Agreed payment terms will only commence once the order has been processed in full.
- 14.12. For orders with scheduled delivery dates in different months, a monthly invoice for the deliveries made is required. The agreed terms of payment will only commence upon settlement of the monthly supply.
- 14.13. For early deliveries, which have not been agreed upon, payment shall take effect from the delivery date expressed in the order if the goods are expressly accepted by Lumson.
- 14.14. In order to avoid payment misunderstandings, it is mandatory that each invoice shows the Lumson order number/order number and order line.
- 14.15. Any deadlines on 31/08 and 31/12 of each year shall be extended to the tenth day of the following month.
- 14.16. Lumson shall not be liable to pay collection charges and stamps.

15. Suspension

It is Lumson's right to obtain partial or total suspension of the order upon written request. In such a case, upon receipt of such a request, the Supplier must interrupt the supply and work to limit as far as possible any costs accrued and accruing. The resumption of activities will be communicated in writing.

16. Code of Ethics.

The Code of Ethics is an integral part and constituent element of the Organisational Model adopted by Lumson pursuant to the provisions of Legislative Decree no. 231/2001. The Code of Ethics applies to the corporate bodies, employees, proxies and independent contractors who, for whatever reason and irrespective of the type of contractual relationship, act in the name and on behalf of the companies in the corporate group to which Lumson belongs. Lumson also requires compliance with the Code of Ethics from third parties (partners, customers, suppliers, professionals, consultants and other types of external parties) with whom it establishes relations or business relationships. The Supplier therefore undertakes, upon receipt of the Order, to immediately read the Code of Ethics on Lumson's website www.lumson.com, as well as any subsequent amendments and/or updates thereto. The Supplier is also bound to comply with the provisions and ethical and behavioural principles adopted by Lumson through the Code of Ethics. Failure by the Supplier to comply with these provisions shall entail, without prejudice to any further remedy provided for by the aforementioned regulations and compensation for any damages suffered by Lumson, the automatic termination of the Order pursuant to Article 19 "Termination".

17. Termination

- 17.1. Lumson may at any time give notice of termination pursuant to Article 1456 of the Italian Civil Code or cancellation of the order by written communication to the Supplier, with effect from the date that Lumson shall indicate in the same communication, if the Supplier:
 - a) is in breach of its confidentiality obligations under Article 10;
 - b) becomes a member, partner, or is subject in any form to the control, even indirectly, of a competitor of Lumson;
 - c) is in breach of its obligations of non-transferability of claims;
 - d) fails to comply with delivery deadlines or fails to rectify defects and/or deviations within the contractually agreed time;
 - e) engages in conduct seriously detrimental to the reputation of Lumson and/or its Goods;
 - f) fails to comply with the provisions and ethical and behavioural principles adopted by Lumson through the Code of Ethics;
- 17.2. Upon the occurrence of any of the aforementioned events, the Supplier shall be deemed to be in default and Lumson may avail itself of all remedies at law and shall indemnify any and all direct and/or indirect damages suffered by Lumson.

18. Contractual Documents

- 18.1. These GTC form an integral and inseparable part of the purchase order.

For acceptance by the Supplier _____

Date

Company stamp and signature

Pursuant to Articles 1341(2) and 1342 of the Italian Civil Code, the Supplier expressly approves the following clauses:

1. Introduction;
2. Orders and their amendments and confirmations;
3. Arrangements for the Supply and Freight of Goods and the Provision of Services;
4. Warranty;
5. Indemnities and insurance;
6. Delivery terms;
7. Right of withdrawal for the supply of Goods;
8. Force majeure;
9. Intellectual and Industrial Property;
10. Confidentiality;
12. Governing law and Jurisdiction;
13. Passing the risk;
14. Price, invoicing and payment terms;
15. Suspension;
16. Code of Ethics;
17. Termination

For acceptance by the Supplier _____