

## GENERAL PURCHASE CONDITIONS SYSTEM LOGISTICS S.P.A.

### Table of contents

Art. 1	GENERAL DETAILS .....	2
Art. 2	CONFIDENTIALITY, INFORMATION, AND INDUSTRIAL PROPERTY .....	3
Art. 3	SPECIFIC EQUIPMENT AND MATERIALS .....	5
Art. 4	PERIODIC OR CONTINUOUS SUPPLIES .....	7
Art. 5	RELIABILITY, QUALITY, TESTS, AND INSURANCE .....	7
Art. 6	TRANSFER OF RISKS - DELIVERY - STOCKS - PENALTIES.....	9
Art. 7	FORCE MAJEURE.....	10
Art. 8	ACCEPTANCE - GUARANTEES FOR FAULTS AND NON-COMPLIANCES, GUARANTEES OF LIFETIME AND PROPER OPERATION .....	11
Art. 9	SPARE PARTS .....	13
Art. 10	CONSIDERATION FOR THE SUPPLY .....	13
Art. 11	INVOICES, CARRIAGE DOCUMENTS, AND PAYMENTS .....	13
Art. 12	TERMINATION OF THE AGREEMENT.....	14
Art. 13	ASSIGNMENT OF THE AGREEMENT AND RECEIVABLES .....	15
Art. 14	ADVERTISING .....	16
Art. 15	FORBEARANCE .....	16
Art. 16	INVALIDITY.....	16
Art. 17	NOTIFICATIONS .....	16
Art. 18	PERSONAL DATA PROTECTION INFORMATION .....	16
Art. 19	APPLICABLE LAW AND COMPETENT AUTHORITY .....	16
Art. 20	ORGANISATION, MANAGEMENT, AND CONTROL MODEL .....	17

## Art. 1 GENERAL DETAILS

- 1.1 These General Purchase Conditions (hereinafter referred to as the "**General Conditions**") apply to all purchase agreements (hereinafter referred to as "**Agreements**") entered into by System Logistics S.p.A. (hereinafter referred to as "**System Logistics**") with a supplier thereof (hereinafter referred to as the "**Supplier**"), for the manufacture and/or supply of products (hereinafter referred to as the "**Products**") or services (hereinafter referred to as the "**Services**"). These General Conditions are part and parcel of the official order placed by System Logistics (to which they are annexed or in which they are referenced, together with the documents referred to in the Order, with which the Supplier declares it is familiar.
- 1.2 The rules and provisions set out in these General Conditions may only be amended provisions and clauses provided in writing.
- 1.3 The Agreement between System Logistics and the Supplier is deemed entered into and the Order, therefore, is no longer revocable by System Logistics when:
  - i) the latter receives the acceptance of the Order, without any changes or supplements, duly signed in acceptance by the Supplier, or
  - ii) when, after 5 days of the purchase order being sent, no acceptance is received by System Logistics from the Supplier, or
  - iii) when the Supplier has clearly begun the activities for System Logistics described in the purchase order ("**Order**"). It is understood that any amendment or supplement specified by the Supplier with respect to the purchase order must be deemed a counterproposal, and therefore subject to acceptance by System Logistics in order to become binding and subsequently an Order.
- 1.4 Any sale or supply to System Logistics must originate expressly from an Order. The Order and any subsequent amendment thereto will be binding upon System Logistics solely if issued by the System Logistics procurement department. The Supplier must refrain from making sales or supplies or carrying out any activities in general, not specified in the Order or in subsequent variants thereof, it being expressly understood that any sales or supplies made, or activities carried out by the Supplier but not specified in the Order or in subsequent variants thereof will not give rise to entitlement to remuneration to the Supplier. System Logistics reserves the right, among other things and at the sole discretion thereof, to request the collection or removal of such supplies at the Supplier's expense.
- 1.5 The Order may also be sent electronically.
- 1.6 Any requests for supplies or for quotes or estimates, whether made in writing or orally, only become binding on System Logistics when the Order is executed.
- 1.7 The Supplier hereby expressly acknowledges that System Logistics may request amendments to the Order at any time, with written notice, and declares that it henceforth accepts amendments not involving essential aspects of the Order (such as, for example, supply contents, price, payment terms, etc.)
- 1.8 Any condition added or amendment made by the Supplier after the execution of the Order or in any other document which has not been expressly agreed and accepted in writing by System Logistics will be deemed not written and without effect.
- 1.9 The dates and time limits specified in the Order are always deemed essential aspects.
- 1.10 The purchase Agreement and any additional attachments to the Order constitute the complete agreements between System Logistics and the Supplier in relation to the Products

or to the Services. Consequently, they cancel and supersede any prior written or oral agreement between System Logistics and the Supplier in relation to the Products or to the Services.

- 1.11** Upon acceptance of the Order, the Supplier hereby declares and guarantees that:
- a) it undertakes full and complete technical and administrative responsibility and liability for the performance of the Order in relation to both System Logistics and third parties;
  - b) it has the financial and organisational means necessary to perform the Agreement and undertakes full responsibility and liability for the work of its employees, including therein as regards damage caused to System Logistics and/or the employees thereof and/or those of third parties;
  - c) it will coordinate, where necessary, its activities with those carried out by System Logistics, or by third parties designated by System Logistics, asking questions and requesting information deemed useful in order to carry out its activities;
  - d) without prejudice to its responsibility to perform the Orders fully and in a timely manner, it will inform System Logistics, promptly and in writing, in the event that any events or circumstances occur that prevent the activities on which the Orders are based being carried out according to the procedures and times established in the Orders.

## **Art. 2 CONFIDENTIALITY, INFORMATION, AND INDUSTRIAL PROPERTY**

- 2.1** Any information of a commercial or technical nature (such as, merely by way of example, costs, drafts, and/or design drawings, plans, technical specifications, calculations, documents in general and other information) disclosed in any way and by any means by System Logistics to the Supplier ("**Confidential Information**") must be deemed and must remain confidential and classified in accordance with the provisions of this article. The Supplier hereby undertakes to protect all the Confidential Information received and to handle it with the utmost discretion, undertaking not to disclose any details to third parties, with the exception of employees and consultants thereof involved in the activities agreed in the Order provided that (i) the Supplier has signed a confidentiality agreement with similar provisions to those set out in this article, or (ii) the Supplier has been specifically authorised in writing by System Logistics. In any case, the Supplier remains liable for any undue disclosure of the Confidential Information caused by the employees and consultants thereof.
- 2.2** To this end, the Supplier hereby undertakes to promptly notify System Logistics, in writing, should any event occur which gives rise to the disclosure of Confidential Information. It is nevertheless understood that, in the event of disclosure, the Supplier will take all precautions to minimise the detrimental effects arising from such disclosure. Following termination of the Order, compliance with the requirements referred to in subsection 2.1 hereinabove is also required until the aforesaid Confidential Information becomes public knowledge for reasons not relating to the Supplier's conduct and, in any case, for a maximum of 10 years (as of termination of the Order).
- 2.3** The Confidential Information received will remain the exclusive property of System Logistics and may be used by the Supplier solely for the performance of the Order and related activities. The Supplier undertakes, merely upon request by System Logistics, to immediately return any Confidential Information received in writing to System Logistics whenever instructed to do so and by any means.
- 2.4** In relation to this and including therein after termination of the Order, the Supplier is bound:

- a) to store it with the utmost care and confidentiality and, if requested, return it to System Logistics;
- b) to label it as property of System Logistics in the event that the latter has not done so;
- c) not to reproduce or copy it, except within any limits expressly authorised by System Logistics and not to send it or reveal the contents thereof to third parties until it becomes common knowledge for reasons not attributable thereto;
- d) not to apply for patents or other kinds of industrial property rights, and in the event that such rights are applied for and granted, they must be assigned to System Logistics, which will have sole ownership thereof;
- e) not to produce or have produced and/or supply to third parties, for any reason whatsoever, either directly or indirectly, products which have been designed or manufactured using the technical information stated above;
- f) require and guarantee compliance with the obligations arising from this article by the employees thereof, suppliers, or third parties cooperating therewith to which the Supplier has been authorised by System Logistics to send the Confidential Information stated above, when performing the Order.

**2.5** When proposing or accepting to research and/or adapt a Product or a Service for System Logistics or supply a Product or a Service thereto, the Supplier is bound to inform System Logistics in advance and in writing of any - and in the event which - industrial property rights (relating to or applicable to the Products or to the Services in question or a part incorporated therein) it holds or is using under licence from third parties. Failure, by the Supplier, to provide this information in advance will be deemed a waiver of the right to exercise the said industrial property rights, held thereby, in relation to System Logistics and likewise in relation to any suppliers to which System Logistics may have assigned the manufacture of the Products or the provision of the Services on behalf thereof, including therein following the performance of the Order. Failure to provide the said information in advance will likewise be deemed a commitment to procure, for System Logistics and the said other suppliers, permission to use the industrial property rights used by the Supplier under licence from third parties.

**2.6** The Supplier undertakes not to use the Confidential Information and industrial property rights of System Logistics (unless specifically authorised to do so in advance and in writing by System Logistics), for the manufacture of other products or the provision of other services which are similar to those envisaged in the Order.

**2.7** In the event that, activities concerning research, design, trials, or developments made during the performance of the Order, leads to an invention by the Supplier – whether patentable or not, or to the creation of intellectual property, the latter is bound to inform System Logistics and provide all the information and documents deemed useful or necessary for the realization thereof, at the same time granting System Logistics free and non-exclusive licence for the production or reproduction thereof (either directly or through third parties) and for the sale and use thereof in Italy and abroad. If the invention (covered by an industrial property right) or the intellectual property (covered by copyright) applicable to the Products or to the Services have been obtained by the Supplier in a completely autonomous way and not in connection with research, design, trials, or developments by the Supplier during performance of the Order or obtained without using Confidential Information, System Logistics will pay a fair remuneration as consideration for the licence. The Supplier undertakes, where requested by System Logistics, to apply for the appropriate property

rights for the invention in Italy and in the main foreign countries or to allow System Logistics to do so, in the name and on behalf of the Supplier.

- 2.8** In the event that the aforesaid activities have been carried out by the Supplier when performing a specific task assigned by System Logistics, the invention and the related industrial property rights, the drawings, and in general the technical results obtained, as well as the intellectual property will be exclusive property of System Logistics, provided that the task was assigned by System Logistics for consideration.
- 2.9** The Supplier hereby guarantees that the production, provision, use, and marketing of the Products or of the Services and the parts used in the manufacture of the Products or in the provision of the Services does not constitute infringement of third-party industrial property rights, either in Italy or abroad, and undertakes to promptly resolve any claims laid by third parties and, in any case, to hold System Logistics harmless against such claims and protected in the event of action aimed at prohibiting the free production and sale thereof. In any case, the Supplier will hold System Logistics harmless from any liability and from any charge or claim which may arise therefrom in relation to the use of patents, licences, designs, models, trademarks, and other industrial property rights, concerning the supplies, materials, systems, procedures, and means used to produce the Products or to provide the Services. In the event of disputes relating to these industrial property rights, the Supplier undertakes to act therein in lieu of System Logistics, if the latter is summoned, ensuring the defence thereof and reimbursing the latter for all expenses and charges incurred thereby.
- 2.10** If System Logistics is required to stop using the Products or the Services as a result of the aforesaid claims, the Supplier is required to immediately guarantee System Logistics, at its own expense, one of the following options:
- a) replacement or modification of the Products or of the Services so as to prevent further disputes concerning right of use, it being understood that these must, in any case, guarantee the same performance as those of the original Products or Services;
  - b) return of the Products by System Logistics or interruption of the provision of the Services, with refunding of the consideration received therefor related to the returned Products or to the unexecuted Services.

However, it is understood that, in any case, the Supplier will be required to pay compensation for any damage which may be suffered by System Logistics.

- 2.11** The Supplier undertakes, where required by System Logistics, to feature the System Logistics trademark (or other trademarks or distinctive signs belonging to System Logistics) on the Products and on any spare parts, in the manner and according to the instructions issued by System Logistics. In no event will such use of the trademark be construed as licence to use the System Logistics trademark in general. The Products bearing the trademark as stated above may be supplied exclusively to System Logistics. The use of System Logistics trademarks must cease at any time upon request by System Logistics and in any case, upon the last supply between the parties.

### **Art. 3 SPECIFIC EQUIPMENT AND MATERIALS**

- 3.1** The Supplier is obliged to carry out the supplies using its own machinery and equipment.
- 3.2** Any equipment (gauges, dies, draw plates, specific equipment, testing equipment, etc.) which System Logistics may, in exceptional cases, provide to the Supplier for performance of the Order will remain exclusive property of System Logistics. Use of such equipment is granted to the Supplier by System Logistics on free loan. The equipment must be returned

merely upon request by System Logistics, at any time and without the need for explanations. The Supplier will be held liable for the loss or destruction thereof or any damage thereto.

- 3.3** With regards to the equipment stated in subsection 3.2 hereinabove, the Supplier is bound:
- a) to register the equipment as property of System Logistics;
  - b) to provide, where required by System Logistics, sufficient insurance coverage therefor against fire, theft, vandalism, natural disasters, tampering, and other insurable loss or damage risks;
  - c) to store and use the equipment with the utmost care and provide, at the expense thereof, routine maintenance, without tampering with or modifying the said equipment, except to carry out work relating to the improvement of the Product or of the Service, which may only be carried out after specific written permission has been obtained from System Logistics;
  - d) to notify System Logistics, with the utmost urgency, of any special repairs, replacements, or modifications needed, in which case System Logistics will decide if and how to act on a case by case basis. System Logistics will bear the expenses relating to this work provided that it is not due to negligence or other causes attributable to the Supplier; in this case, all expenses will be borne by the latter. The Supplier will be held solely liable for any faults or defects in the Products or in the Services due to defects in the equipment or materials supplied by System Logistics which are not promptly reported by the Supplier;
  - e) not to move the equipment off-site except within any limits authorised in advance by System Logistics;
  - f) to allow System Logistics' representatives to inspect, during normal working hours, the ways in which the equipment is stored and used, as well as the degree of wear thereof;
  - g) not to assign the equipment to third parties for any reason and not to use it as collateral;
  - h) not to use the equipment or allow it to be used except to perform the Order, including therein after termination of the relative supply and, in any case, not to produce and/or transfer products designed or manufactured using the said equipment to third parties, for any reason, either directly or indirectly, for use in production or as spare parts;
  - i) to comply with the instructions issued by System Logistics regarding the storage, return, or scrapping thereof.
- 3.4** In the event of undue use by the Supplier, System Logistics reserves the right to charge the latter for all relating damage ensuing therefrom.
- 3.5** The provisions referred to in subsections 3.2, 3.3, and 3.4 hereinabove are understood as also applicable, whenever compatible, to the semi-finished and other materials owned by System Logistics provided to the Supplier for or in connection with performance of the Order.
- 3.6** Any equipment developed and manufactured specifically or used for the manufacture of the Products or for the provision of the Services by the Supplier must be used by the latter exclusively for the manufacture of the Products or for the provision of the Services. In the event that the equipment manufactured or used by the Supplier for the manufacture of the Products or for the provision of the Services is the exclusive property thereof, the Supplier hereby grants System Logistics the option to purchase such equipment for a price amounting to the depreciated value of the said equipment. The option must be taken up by System Logistics by means of a written request notified to the Supplier within 90 (ninety) days of the date of termination of the supply relationship, for whatsoever reason this may have occurred.

- 3.7** It is understood that, in any event of termination (including therein early termination) of the supply relationship, the Supplier undertakes to return the equipment provided by System Logistics, at the Supplier's arrangement and expense or - in the event that System Logistics takes up the option right stated in subsection 3.6 hereinabove - to deliver the equipment to the System Logistics site carriage paid.

#### **Art. 4 PERIODIC OR CONTINUOUS SUPPLIES**

- 4.1** The Supplier undertakes, if requested by System Logistics, to promptly:
- a) modify the characteristics of the Products or of the Services ordered;
  - b) discontinue the production and supply of the Products or the provision of the Services ordered.

In these cases, provided that the Supplier complies with the provisions of subsection 4.2 below, System Logistics will be required to keep the Products or the Services already completed or in progress amounting to no more than the sum of the following:

- 1) the deliveries envisaged for the month in which the modification or cancellation is notified and those for the following month;
  - 2) the semi-finished and raw materials for the manufacture of the Products due to be delivered for the second month thereafter, and
  - 3) the volume of contractually required stocks. These Products, whether completed or in progress, and the relative raw materials will be considered in all respects transferred to System Logistics and therefore the Supplier will be bound to comply with System Logistics' instructions concerning the destination or delivery thereof.
- 4.2** In such cases, the Supplier will be required to take all necessary measures to curb, as far as possible, the number of modified or cancelled Products or Services which may be charged to System Logistics according to subsection 4.1 hereinabove and, in any case, to comply with the arrangements made from time to time with System Logistics and/or with the instructions issued thereby, as well as allowing System Logistics to inspect the stocks.
- 4.3** System Logistics is entitled, solely at the discretion thereof, to withdraw from the contractual relationship at any time, by giving written notice to the Supplier. Unless stated differently in the withdrawal notice, the said withdrawal will take effect on the seventh day of the Supplier receiving System Logistics' notice (notice period). It is expressly agreed that nothing else will be due to the Supplier, for any reason, as a result of System Logistics' withdrawal.

#### **Art. 5 RELIABILITY, QUALITY, TESTS, AND INSURANCE**

- 5.1** Even if the Product or Service is made or provided by the Supplier based on the technical and technological documents provided by System Logistics, the Supplier is required to perform and/or arrange for all the tests and/or inspections needed to establish the reliability and suitability of the Products or of the Services envisaged, as well as compliance thereof with the provisions established by Italian and EU regulations, as well as those specified by System Logistics or, in any case, applicable to the Products. The results of the aforesaid tests and inspections will not be binding on System Logistics, which reserves the right to carry out its own tests and to approve the supply entirely at its own discretion.
- 5.2** The Supplier may not start production of any series until System Logistics has approved the first samples; it is, in any case, understood that any type approval by System Logistics technicians and/or receipt of the supply approval from System Logistics do/does not exonerate the Supplier or diminish the responsibilities, liability, and guarantees thereof.

- 5.3** The Supplier is required to put in place and to maintain suitable production and test equipment and processes to ensure the Products or the Services are, at all times, reliable, offer an appropriate level of quality, and are compliant with the technical prescriptions stated by System Logistics (drawings, standards, specifications, type-approved and/or filed sample charts, etc.). The Supplier is also required to notify System Logistics of the technical innovations that are likely to improve the Products' or the Services' quality level and/or characteristics, as well as the technological innovations which may affect the quality level thereof.
- 5.4** Without prejudice to the responsibilities and obligations arising from subsections 5.1 and 5.3 hereinabove, the Supplier undertakes to allow access to the staff delegated by System Logistics and/or - at the request of System Logistics - to the staff delegated by System Logistics' customers, in order for the said staff to carry out inspections and checks on the processing and/or testing methods employed. If requested, the Supplier hereby undertakes to issue a quality certificate stating that the Products or the Services supplied to System Logistics have been appropriately tested and that, from this inspection, have proved to be suitable. In this case, the Products or the Services sent to System Logistics must be accompanied by the relative quality certificate, without which System Logistics will be entitled to reject the goods.
- 5.5** No modification may be introduced by the Supplier during production of the Products or during the provision of the Services unless written permission is given therefor by System Logistics, with the price modified accordingly if necessary.
- 5.6** In the event that the ordered Products or Services are subject to regulations (whether Italian and/or foreign) concerning safety, pollution abatement, etc.), the Supplier is required to prepare specific documents on the type approval and production processes which specify - among other things - how the characteristics concerned were tested, by whom, and with what results. These documents must be kept by the Supplier for at least 10 (ten) years and must be provided to System Logistics at the request thereof. Furthermore, since System Logistics is bound to allow its customers to carry out checks and inspections on the production and testing methods and on test documents, the Supplier hereby declares that it is willing to allow similar checks and inspections to be carried out at its own company. The Supplier is required to set similar requirements for its subcontractors.
- 5.7** In addition to all the compulsory insurance policies required by law, the Supplier shall take out the policies set out hereinunder with leading insurance companies approved by System Logistics:
- (i) a suitable third-party liability insurance to cover whatever the Supplier is required to pay as compensation for damages caused while carrying out its business and all related and ancillary activities such as, by way of example but not limited to, damages to System Logistics' property stored by the Supplier, or during loading/unloading and handling operations in general;
  - (ii) product liability insurance covering all potential damages to property or persons, incurred by System Logistics or by third parties, as a result of faults in the Products.
- 5.8** In good time, before the beginning of the supply, the Supplier will send appropriate documents to System Logistics stating as set out hereinunder:
- (i) the chosen insurance company,
  - (ii) the coverage start and end dates,



- (iii) the content of existing coverage, including all the coverage stated hereinabove in subsection 5.7, with evidence of the relative sub-limits, deductibles, and excesses. The Supplier also undertakes to deliver, simply upon request by System Logistics, a copy of all the insurance policies and related payment receipts, it being understood that the existence of such policies may in no way be interpreted as limiting the Supplier's liability as envisaged either by law or in relation to the performance of the Agreement.

It is understood that the Supplier remains solely liable for the deductibles, the excesses, as well as any other damage not covered by the aforesaid policies, just as the Supplier will be liable for the amount of any damage exceeding the upper limits or the sub-limits of the insured amounts stated in the policy.

- 5.9** The aforesaid policies must be kept in force for the entire duration of the Supplier's obligations pursuant to the Agreement.
- 5.10** The Supplier must keep System Logistics informed of any reduction, suspension, or termination of the aforesaid insurance policies, as well as of any event which may jeopardise the validity or scope of the coverage of the said policies.

## **Art. 6 TRANSFER OF RISKS - DELIVERY - STOCKS - PENALTIES**

- 6.1** Each sales condition agreed with respect to the transfer of risks will be interpreted according to the INCOTERMS in force at the time the Order is finalised. If no specific condition is agreed, the risks are transferred to System Logistics as envisaged for DDP deliveries.
- 6.2** Activities for the marking, packaging, labelling, identification, shipping, and transport of the Products must be carried out in accordance with the instructions issued by System Logistics and applicable legislation. The Supplier will be bound to make good any damage resulting from any delay, loss, or physical damage caused due to shortcomings in the activities relating to marking, packaging, labelling, identification, or shipping, attributable to failure to comply with the aforesaid instructions or legislation. More specifically, for transport, unless further specific provisions are included in the Order or agreed with System Logistics, the Supplier hereby undertakes to insure the load against all possible accidents or damage that may occur during transport (merely by way of example: theft, fire, damage, loss, etc.) with a suitable policy taken out with a leading insurance company approved by System Logistics. The Supplier hereby undertakes, amongst other things, to use strictly carriers which offer services that meet the highest international standards in force in the industry (more specifically, an appropriate vehicle for the load transported, equipped with a suitable anti-theft system), subject to prior express approval by System Logistics. The Supplier will provide System Logistics (with due notice), with the details of the insurance coverage and of the carrier appointed for the purposes of approval thereof.
- 6.3** The delivery terms are considered met if the Products are actually delivered within the time limits agreed, to the place of delivery specified by System Logistics, without any faults or defects and manufactured in a workmanlike manner. The time (days) taken to redress faults or defects in the Products and to replace the faulty or defective Products will be counted as a delay. With reference to the Services, the delivery terms are considered met if the Services are delivered within the time limits agreed, without any faults or defects and executed in a workmanlike manner. Even in this case, the time (days) taken to redress faults or defects in the Services will be counted as a delay.
- 6.4** The delivery terms and schedules stated in the Order are binding and essential and therefore neither delays nor early deliveries are allowed. System Logistics, therefore, is authorised to

return supplies received before the agreed term, at the expense and risk of the Supplier, or to charge the latter for storage.

In the event of delivery delays not due to force majeure circumstances, System Logistics may choose, at its discretion, one or more of the options set out hereinafter:

- a) to demand performance of the Order, either in full or in part;
- b) to procure the Products or the Services elsewhere and at any time, in full or in part, at the expense and risk of the Supplier, in which case the sole burden thereupon is the notification of the Supplier;
- c) to terminate the Agreement, as of right and with immediate effect, pursuant to and in accordance with Article 1456 of the Italian Civil Code, simply giving the Supplier written notice thereof.

**6.5** System Logistics remains entitled to charge the Supplier a penalty amounting to 0.5% of the total value of the Products or of the Services not delivered for each calendar day of delay with respect to the delivery terms established in the Order; in any case, System Logistics' right to compensation for any further damage which may be suffered will remain unaffected.

**6.6** The Supplier is required to maintain, at its own expense and for the entire duration of the supply, at its warehouses, sufficient stocks of Products to ensure supply continuity according to schedules. The stocks of tested material, must be properly rotated and arranged in such a way as to facilitate identification and quantity checks by System Logistics' representatives. In the case of use by the Supplier of the reserve stocks for unplanned System Logistics Orders, the Supplier undertakes to replenish the said stocks within and no later than 4 (four) weeks of System Logistics placing such Orders. If compulsory reserve stocks are specified in the Order, the Supplier undertakes to maintain the levels thereof.

**6.7** In the event of non-compliance with the requirements set out in subsection 6.7 hereinabove, a penalty amounting to 20% of the value of the missing stocks may be applied to the Supplier, without prejudice, in any case, to System Logistics' right to terminate the supply Agreement with immediate effect as provided for hereinafter in Article 12.

## **Art. 7 FORCE MAJEURE**

**7.1** In the event that performance of the Agreement is prevented by the occurrence of proven circumstances of force majeure, i.e. events beyond the Supplier's control (such as, for example: natural disasters, riots, nationwide strikes, etc.), the Supplier must immediately notify System Logistics of the said circumstance by email, with subsequent confirmation sent with a recorded delivery letter with advice of receipt, or by certified email, and must take all possible measures to limit the effects thereof. In such cases, the delivery terms are deemed extended and a new time limit must be established between the parties by mutual agreement. Force majeure cannot be claimed if the circumstance arises after the expiry of the agreed delivery term. In no event will delays by subcontractors, for whatsoever reason, be deemed force majeure circumstances.

**7.2** If the force majeure circumstance causes a delay in delivery of over 25 (twenty-five) days or a shorter delay but one that is nevertheless incompatible with the commitments undertaken by System Logistics in relation to the customers thereof or with System Logistics' production requirements, the latter will be entitled to terminate the contractual relationship, in full or in part, at any time, by simply giving the Supplier written notice thereof. In this case, the Supplier will be due solely the amounts provided for in Article 4, in the event of the circumstances envisaged therein.

**7.3** System Logistics cannot be held liable in the event of natural disasters, strikes, fires, picketing, or other circumstances beyond System Logistics' control which prevent receipt of the Products or the delivery of the Services.

**Art. 8 ACCEPTANCE - GUARANTEES FOR FAULTS AND NON-COMPLIANCES, GUARANTEES OF LIFETIME AND PROPER OPERATION**

**8.1** The physical acceptance of and/or payment for the Products or for the Services cannot, in any case, be deemed acceptance thereof, which must be given by the relative System Logistics departments. After agreement with System Logistics, the Supplier may send its own staff to the System Logistics sites to view the equipment and procedures employed in the inspection and testing of the Products or of the Services. Acceptance will be deemed given tacitly by System Logistics if no objections are raised within the 3 (three) months following delivery. The guarantee against hidden defects and operation failure remains in force even in the event that System Logistics accepts the Products or the Services.

**8.2** The Supplier guarantees that the quantities of the Products or of the Services comply with both that agreed and that declared in the delivery note. In the event that - at the time of the delivery - the quantities of the Products or of the Services delivered do not comply with the quantities agreed upon, System Logistics may choose, at its discretion, one or more of the options set out hereinunder:

- a) to accept the non-compliant quantities found, with the power to increase or decrease any subsequent supplies accordingly;
- b) subject to any tolerances agreed in advance in writing: to reject any surplus Products, with the right, if the Supplier does not immediately collect them, to return the surplus at the expense and risk of the Supplier or to charge the latter for the storage and warehousing;
- c) to instruct the Supplier to immediately send the missing part of the supply, it being understood that any further cost or expense for the immediate provision of the missing items will be borne by the Supplier.
- d) in the event of a negative difference between that stated on the delivery documents and the quantities of Products or of Services actually delivered, System Logistics will be entitled to carry out or arrange an inspection of the entire supply delivered and/or other preventive measures concerning the Products or the Services delivered by the Supplier and the related accounting documents, checking, in particular, that the quantities of the Products or of the Services received correspond with the delivery documents and charging the Supplier when it has been proved that the shortages are attributable entirely thereto (always taking into account the delivery terms agreed in the Order and all costs and reasonable expenses relating to the aforesaid checks). In the event that, at the time of the incoming goods check, the quantities do not comply with that stated on the delivery note, in addition to the above, System Logistics may also charge the Supplier a penalty amounting to 10% of the price of the missing Products or Services. In order to exercise the powers provided for in this subsection (8.2), System Logistics must lodge a claim with the Supplier within 90 (ninety) days of the delivery date of the batch concerned.

**8.3** The Supplier guarantees that the Products or the Services supplied are faultless and comply with the Order specifications, with the legislative provisions applicable to the Products or to the Services or with the provisions stated by System Logistics. The Supplier also

guarantees, among other things, the proper operation and lifetime of the Products or of the Services for a minimum term of 24 (twenty-four) months as of delivery thereof.

- 8.4** In the event that System Logistics finds any faults, non-compliances, or operation failure in one or more Product or Service, System Logistics - after reporting the issue to the Supplier - will be entitled to:
- a) the prompt replacement of the faulty Products or Services free of charge (at the Supplier's expense);
  - b) have the faulty Products repaired or the Services well executed and charge all the costs thereof to the Supplier;
  - c) reject the faulty Products or Services, at the Supplier's expense and risk, without requesting the replacement thereof if, entirely at System Logistics' discretion, the replacement is of no use to System Logistics.
- 8.5** In each of the cases referred to in subsections a), b), and c) hereinabove, the Supplier will be charged for the corrective measures related to the Products or to the Services, calculated on the basis of the System Logistics billing rates and the ANIMA federation hourly rates in force in the various markets.
- 8.6** In order to exercise the powers stated hereinabove, System Logistics claims must be lodged with the Supplier within 30 (thirty) days of the date on which the fault is noted; the Supplier undertakes to carry out the work required, based on the aforesaid claims, promptly and within the terms specified by System Logistics on each occasion.
- 8.7** This does not affect, in any case, the obligation to make good any further damage which may be suffered by System Logistics.
- 8.8** The Supplier undertakes not to place the returned faulty or non-compliant Products on the market but rather to scrap the said Products, in which case System Logistics is within its rights to carry out inspections and checks to ensure such undertaking has been carried out. If the Supplier fails to promptly collect the faulty Products, System Logistics may proceed directly by scrapping them on the Supplier's behalf and at the expense thereof.
- 8.9** In the event that claims are lodged against System Logistics, either in or out of court, for third-party liability (including liability for faulty products) or that System Logistics is accused of breaching legal requirements (safety, pollution regulations, etc.) or contractual requirements as a result of the faulty nature, non-compliance, or unreliability of the Products or of the Services supplied, the Supplier will be required to hold System Logistics harmless and to make good any damages suffered thereby. System Logistics must inform the Supplier promptly upon discovering the breach of the regulation or the claimed liability thereof based on the faulty nature, non-compliance, or operation failure of the Products or of the Services.
- 8.10** In the event that System Logistics carries out a drive to recondition its plants and systems in order to replace or repair Products or to undertake corrective actions regarding the Services that have proved to be faulty, non-functioning, or non-compliant with legal provisions and even if the fault, or operation failure, or non-compliance is found after expiry of the guarantee, the Supplier will be required to provide System Logistics (free of charge) with the Products or with the Services needed to carry out this reconditioning drive and will reimburse System Logistics for the cost of the disassembly, assembly, transport, disposal and reconditioning activities, provided that the Supplier's liability is ascertained.

## **Art. 9 SPARE PARTS**

**9.1** The Supplier hereby undertakes to supply System Logistics with spare parts for the Products for a period of 10 (ten) years as of delivery thereof, the said spare parts being manufactured using materials and technologies of the same or better quality as/than those used in the manufacture of the Products.

## **Art. 10 CONSIDERATION FOR THE SUPPLY**

**10.1** The consideration for the supply stated in the Order is before tax; this consideration is the all-inclusive, set, and final amount and includes all costs, charges and ancillary expenses, such as but not limited to costs for insurance, carriage (regardless of the customs clearance method), storage, packing, unloading, and maintenance until the time of delivery.

**10.2** The contractual consideration is understood as including all the supplies and services, as well as the charges and obligations (including therein those not expressly listed or mentioned) placed on the Supplier, for whatsoever reason, and necessary in order to carry out the supply in a workmanlike manner, in accordance with the agreed provisions, methods and timing.

**10.3** Increases in the consideration specified in the Order are envisaged solely in the event of amendments for which System Logistics has given prior written permission. Any proposed changes in the price will be deemed validly accepted only if System Logistics sends written confirmation to the Supplier within no more than 20 (twenty) days of receipt of the relative proposal. Failing this, the Supplier will not be able to proceed with the change.

## **Art. 11 INVOICES, CARRIAGE DOCUMENTS, AND PAYMENTS**

**11.1** Invoices must be issued for all Products and Services contained within a single Order and subject to the same rate of VAT. They must specify:

- a) the number and date (where applicable) of the Order, the Order position, the internal purchase request stated in the Order, the delivery request, the Supplier's registration code and tax ID number, the transport document, and the drawing;
- b) the list of Products in the order specified in the transport documents;
- c) the unit of measurement; the unit which must be used on both the invoice and the transport document is the unit stated on the Order and, in any case, in special cases where it is not possible to use the same unit, the quantity must be specified using both units of measurement and specifying the conversion factor.

**11.2** The Products shipped must be accompanied by the transport document with the number of copies requested by System Logistics. The transport document must contain the information set out hereinunder: Supplier's name, serial/drawing number, Supplier's registration number, Product name, shipment date, Order number and date and internal purchase request number and date, number of the destination warehouse, quantity of the batch shipped, number of packages, and any other specification required in the Order. The transport document identifier must be numerical only, with no slashes, and must contain no more than 7 (seven) digits. Each transport document must refer solely to Products from the same Order or delivery schedule.

**11.3** Payments will be made upon presentation of invoices issued in the manner specified in the Order and upon presentation of the documents stated in subsections 11.1 and 11.2 hereinabove, or those eventually provided for in the Order, on condition that such payments are effectively due on the date the related invoices are issued. If this is not the case, the payment terms will begin at the end of the month during which the payments fall due.

- 11.4** The payment terms will be agreed between the parties on each occasion and stated in the Order. Unless otherwise stated, these terms will begin on the date of acceptance of the Products or of the Services by System Logistics.
- 11.5** In any case, failure by System Logistics to dispute an invoice cannot be deemed acceptance thereof.
- 11.6** If envisaged in the Order, a withholding may be applied to the amount stated on the invoice (at the rate envisaged in the said Order) to guarantee the Supplier's proper performance of all the contractual obligations. This withholding will remain bound within the terms agreed in the Order. As an alternative to the withholding, the Supplier may provide System Logistics with a first-demand bank and/or insurance guarantee for the same amount, issued by a leading bank or insurance company approved by System Logistics, whose wording must also be approved in advance by System Logistics. The advance payment interest must be previously agreed with System Logistics and discounted from the price of the Products or of the Services.
- 11.7** Any payments due by the Supplier to System Logistics for penalties or any other reason will also be deducted from each payment.
- 11.8** System Logistics will have the right to withhold payments due to the Supplier that had accrued for prior services or, in any case, not relating to the Order, in order to guarantee the Supplier's fulfilment of the obligations arising from the Order, and may likewise offset such claims.
- 11.9** System Logistics will also be entitled to withhold payments that have accrued for supplies relating to the Order in order to guarantee the Supplier's fulfilment of prior obligations or, in any case, obligations not relating to the Order.
- 11.10** In the event that, on one or more batches of the Products or on one or more tranches of Services supplied, the faulty or non-compliant Products or Services found constitute a significantly higher percentage than the agreed tolerance limit, System Logistics will be entitled to suspend payment of the price of the batch or of the tranche concerned, from the total payments due to the Supplier until the Supplier delivers the Products or the Services as a replacement.
- 11.11** Without prejudice to the provisions set out in the subsections of this article hereinabove, any delays in payments by System Logistics must be understood as subject to interest at no more than the statutory rate in force in the period of delay, calculated pursuant to Article 1284 of the Italian Civil Code. The Supplier will not be entitled to any compensation for costs incurred for the recovery of unpaid sums if it has not issued System Logistics with formal notification of arrears, by means of a recorded delivery letter with advice of receipt or by certified email, addressed to the head of the System Logistics procurement department and 30 (thirty) days have lapsed since the said notification.

## **Art. 12 TERMINATION OF THE AGREEMENT**

- 12.1** If the Supplier does not comply exactly with the provisions concerning proper performance of the Agreement, as established in these General Conditions or in the Order, System Logistics may invite the Supplier to perform, by written invitation sent by recorded delivery letter with advice of receipt or certified email, providing for a term of no less than 5 (five) days within which to remedy the breach. Should the Supplier fail to remedy the breach within this term, the Agreement will be terminated as of right.

- 12.2** In addition to that established by law or agreed elsewhere between the parties, the Agreement will be deemed automatically terminated, pursuant to Article 1456 of the Italian Civil Code, merely upon written notice from System Logistics, in the event of breach by the Supplier of the representations and warranties provided pursuant to subsection 1.13 hereinabove, as well as the obligations stated Article 2 (Industrial property), Article 3 (Specific equipment and materials), Article 4 (Periodic or continuous supply), Article 6.4 and Article 6.6 (Deliveries and stocks), Article 8.4 (Faults in Products or in Services) and Article 20 hereinunder (Organisation, Management and Control Model pursuant to Italian Legislative Decree n. 231/2001 and subsequent amendments thereto) of these General Conditions.
- 12.3** The Agreement will also be terminated as of right, pursuant to Article 1353 of the Italian Civil Code, without any notification thereof being required by the parties, in the event that insolvency proceedings have been filed against the Supplier or of any pre-insolvency proceedings, seizure, attachment proceedings, civil or criminal convictions of the legal representatives of the Supplier which may prejudice the good name or hinder the activity thereof, as well as in the event of mergers, winding-up, or assignment of the business by the Supplier or changes in the ownership structure of the Supplier or its ultimate parent company, unless - in the latter cases - System Logistics has been previously informed thereof and has given its written consent to the continuation of the Agreement. If any of the aforesaid events should occur, the Supplier hereby undertakes to inform System Logistics thereof promptly. Early termination of the supply relationships, as a result of any of the circumstances described in this section, will not render System Logistics in any way liable to the Supplier, except for the payment of the supplies already received, as per the procedures set out in Article 11 hereinabove.
- 12.4** System Logistics will also be entitled to terminate the Agreement, giving prior written notice, if any situations, events, or actions occur which indicate that the Supplier is either unable or likely to be unable to ensure normal performance of its obligations (such as, merely by way of example), missed or delayed payments to employees, social security institutions, tax authorities, suppliers or banks, protested bills of exchange, seizure of financial assets and/or real property, revocation of licences or permits, preparatory and/or initial stages of voluntary receivership, etc.). In this case, the Agreement will be terminated if the situation referred to in this subsection does not cease within 10 (ten) days of System Logistics sending the written notice to the Supplier.
- 12.5** In the aforesaid cases of termination of the Agreement, System Logistics will, in any case, be entitled to accept the Products or the Services which have already been delivered, paying the relevant fee minus - in the event that the termination is attributable to breach by the Supplier - 10% of the contractual price agreed for the entire supply, payable as a penalty, and without prejudice, in any case, to compensation for any further damage.

## **Art. 13 ASSIGNMENT OF THE AGREEMENT AND RECEIVABLES**

- 13.1** Unless agreed otherwise with System Logistics in advance and in writing, the Orders, the performance of the contractual services, and/or the receivables arising from the Orders may not be assigned by the Supplier, not even partially.
- 13.2** The Supplier expressly agrees that System Logistics may assign the Agreement with the Supplier to companies in the Krones Group pursuant to Article 1406 of the Italian Civil Code. The term "companies in the Krones Group" means companies which are controlled, either directly or indirectly, by the company Krones AG, with registered premises in Germany, and the concept of "control" being as established in Article 2359 of the Italian Civil Code.

#### **Art. 14 ADVERTISING**

**14.1** Any disclosure or publication referring to supplies made by the Supplier to System Logistics, is subject to prior written permission from the latter. In such cases, the Supplier hereby undertakes to comply with the conditions and procedures established on each occasion.

#### **Art. 15 FORBEARANCE**

**15.1** During the performance of the Agreement, forbearance by either of the parties of conduct by the other constituting breach of one or more of the provisions contained in these General Conditions or in the Agreement does not result in the waiver of the first party's right to exercise the rights thereof at any time.

#### **Art. 16 INVALIDITY**

**16.1** The clauses of these General Conditions are interrelated and inseparable.

**16.2** Any nullity or invalidity of the individual clauses of these General Conditions or of an Order will not result in the nullity or invalidity of the other conditions or the Order. The parties undertake to negotiate, in good faith, a replacement provision which will maintain the contractual balance.

#### **Art. 17 NOTIFICATIONS**

**17.1** Any correspondence between the parties must be sent, in Italian or in English, to the respective registered premises, at the address specified for this purpose, or to the respective email addresses; failing that, the correspondence will be considered ineffective. Any change in contact address must be notified promptly.

#### **Art. 18 PERSONAL DATA PROTECTION INFORMATION**

**18.1** In compliance with Italian Legislative Decree n. 196/2006, European Regulation 679/2016 and subsequent amendments and supplements thereto, and subsequent provisions issued by the Italian data protection authority ("**Applicable Legislation**"), the data obtained from or provided by System Logistics will be used by the Supplier solely to perform the Order. This data will be kept in compliance with the measures specified in current legislation and will not be disclosed externally except to persons, institutions, or bodies that perform supervisory duties; the Supplier guarantees that the personal data protection measures required by Applicable Legislation will be taken.

**18.2** The personal data collected by System Logistics S.p.A., or subsequently disclosed thereto by the Supplier, as necessary for the performance of the Agreement, will be processed solely for the pre-contractual and contractual purposes stated in the Agreement. Failure to provide the data required will make it impossible to perform the Agreement. For more information about the type of data collected, the processing methods and purposes, the storage times, and the parties with whom the Supplier's data may be shared, the Supplier is advised to view the extended information notice published on the company's website ([www.systemlogistics.com](http://www.systemlogistics.com)) in the "Supplier Privacy" section.

#### **Art. 19 APPLICABLE LAW AND COMPETENT AUTHORITY**

**19.1** The Orders and the Agreement are governed by Italian law.



**19.2** For any dispute which may arise between System Logistics and the Supplier as a result of the interpretation and performance of an Order or the Agreement, the Court of Modena will have sole jurisdiction, with any concurrent authority hereby excluded.

## **Art. 20 ORGANISATION, MANAGEMENT, AND CONTROL MODEL**

**20.1** The Supplier hereby acknowledges that System Logistics S.p.A. has adopted a company organisation, management, and control model pursuant to Italian Legislative Decree n. 231/2001 and subsequent amendments and supplements thereto (the "**Model**") and declares that it has read the code of conduct provided on the company's website ([www.systemlogistics.com](http://www.systemlogistics.com)) ("**Code of Conduct**"), which is an integral part of the Model. The Supplier accepts the contents of the Code of Conduct referable thereto and undertakes to behave in accordance with the law and the principles and rules set out in the aforesaid Code of Conduct. In the event that the Supplier becomes aware of conduct by an employee and/or a System Logistics representative which could constitute breach of the Code of Conduct, the Supplier undertakes to immediately inform the relevant bodies, sending an email to the System Logistics supervisory body at [odv@systemlogistics.com](mailto:odv@systemlogistics.com), or a whistleblowing report to the Compliance & Corporate Governance department of the Krones group, through the "Integrity" portal available on the System Logistics website ([www.systemlogistics.com](http://www.systemlogistics.com)) .

**20.2** It is hereby specified that failure to comply with the obligations and uphold the commitments set out hereinabove will constitute gross breach of Agreement and result in System Logistics' right to terminate the Agreement, with immediate effect, pursuant to and for the purposes of Article 1456 of the Italian Civil Code, without prejudice to the right to seek compensation for damages.

## **THE COMPANY**

## **THE SUPPLIER**

Pursuant to Article 1341 of the Italian Civil Code, after examination of the contents thereof, the Supplier hereby specifically approve the following clauses of the General Conditions set out hereinabove: 1.7 (System Logistics' power to make non-material changes to the Order at any time), 2 (Technical information and industrial property and in particular, but not limited to, waiver of non-disclosed patents and the obligation for the Supplier to hold System Logistics harmless), 4 (Amendments to periodic and continuous supplies and withdrawal by System Logistics), 6.5 (Term for acceptance), 6.7 and 6.8 (System Logistics' power in the event of failure to replenish compulsory stocks and termination clause), 8.1 (Product or Service acceptance), 8.2 (Non-compliant Product or Service quantities and System Logistics' power), 8.3, 8.4 and 8.5 (Extension, procedure, and term of warranty and terms for claims for defects), 8.7 (Responsibility for faulty Products or Services), 8.8 (Reconditioning), 11 (Payments and in particular, but not limited to, the faculty to offset payments, to prohibit the issue of bills, to suspend payment for faulty goods, and interest on arrears); 12 (Termination of the Agreement and in particular, but not limited to, express termination clauses and conditions and the option to

purchase the Products or the Services which have already been delivered), 13 (No assignment of the Agreement or the receivables by the Supplier and assignment of the Agreement by of System Logistics), 14 (Advertising), 19 (Applicable law and competent authority), 20 (Organisation, management, and control model).

## THE COMPANY

## THE SUPPLIER