

GENERAL TERMS AND CONDITIONS OF PURCHASE

1 General Guidelines

Only the following General Terms and Conditions of Purchase (hereinafter called PGT&C) shall govern orders and contracts issued by Sirio Sistemi Elettronici S.p.A (hereinafter called SSE) to its "Suppliers". SSE shall not be bound by Supplier's General Sales Conditions (hereinafter called GSC), even when they are mentioned or contained in any acceptance, delivery receipts, invoices or any other documentation produced by the Supplier. GSC shall not be deemed binding, even as a result of tacit consent. Any change or addition, as well as any GSC different from the present PGT&C, in whole or in part, shall be valid only where specifically accepted in writing by SSE. Otherwise, the present PGT&C shall prevail between the parties.

2 Conclusion of an Agreement

Any contract concluded between SSE and a Supplier shall be deemed as finalized, under the terms and conditions specified within the present PGT&C, when SSE receives a notification of acceptance by the Supplier, (Confirmation of Order). A Purchase Order (hereinafter called P.O.) shall be confirmed in writing within five (5) working days from reception. Communications by fax or e-mail shall be also regarded as a written confirmation. After that period, if the Supplier fails to send its acceptance, the order shall be deemed as tacitly accepted under the conditions and terms specified in the order itself, without prejudice to SSE's right to cancel or revoke the order by a written communication to the Supplier. Should such acceptance be received by SSE after the aforesaid time limit, SSE shall be free to decide whether to consider it as valid or non-relevant. All business papers shall mention the P.O. number and be addressed, except for invoices, to the Purchase Department, as specified in the P.O. itself.

3 Delivery of Goods and Services – Title Transfer

The delivery of goods and services shall be made on the "Delivery date" specified in the P.O. at a location agreed by the parties.

The delivery date shall be deemed as an essential term, under art. no. 1457 C.C. Non-compliance with the delivery deadline shall result in the P.O. cancellation, subject to SSE's right to still request for service performance.

The meaning of delivery terms set forth in the P.O. shall comply with provisions of the Paris International Chamber of Commerce (ICC) Incoterms® (the latest revision in force on the P.O. forwarding date), subject to different arrangements to be agreed upon and signed by the parties.

Material withdrawal by SSE shall not determine its acceptance, and SSE will be able to lodge a complaint against any defect in the supply at any time. Deliveries or supplies different from contract specification may be rejected by SSE.

SSE reserves the right to reject or store in a warehouse, at Supplier's risk and charge, any material delivered in advance with respect to the specified delivery date. Partial deliveries shall be admitted only where specifically accepted in writing by SSE. Such concession shall not entitle the Supplier to issue invoices in advance or issue partial invoices, if not expressly agreed and approved in writing by SSE. A delivery shall be deemed to be complete only when all purchased goods and Services are entirely delivered or provided, in compliance with the P.O. and the established terms, at a location agreed by the parties.

The Supplier shall be deemed liable for damages and costs borne by SSE resulting from late deliveries (except for cases associated with Force Majeure). SSE reserves the right to request for the payment of penalties (refer to art. 11) in case of product late delivery, without prejudice to its right to claim further damages.

Title transfer of purchased Goods or Services shall occur upon their delivery to SSE.

4 Prices, Invoicing and Payments

Prices specified in the P.O. shall be firm even in case of increases in material or labor costs, for whatever reason or event, even a Force Majeure event, from the Order date until completion or termination of the contract, except in case of a request for any amendment to the scope of supply made by SSE, which may bring about a price change to be agreed between the parties.

SSE reserves the right to set off, in whole or in part, any amount due to the Supplier with any amount that the Supplier owes to SSE, for whatever reason, in accordance with these PGT&C, prior to a written notice by SSE.

For Field Service Activities:

Rates for Field Service Activities (FSE activities, TAs activities, Mechanical, Manpower, technician) shall be considered omnicomprehensive of all direct and non direct costs related to activities concerning on scope of work (by way of example and not exhaustive, local taxes direct and non direct, duties, salaries). Overtime hours and Stand-by days shall be approved by customer or final customer representative or SSE representative in site through signed timesheets and shall be validated by SSE in written form. Rest days (weekend and local holidays) will not be paid. Local holidays and weekend days, if worked, will be paid only if approved by SSE customer representative through signed timesheets and validated by SSE in written form. Invoicing will be on monthly basis according to:

- ✓ Service Request issued by SSE's service department
- ✓ Timesheets properly countersigned by customer or final customer representative or SSE representative in site
- ✓ Written approval by SSE of Pro Forma Invoices sent by Supplier at the end of services (including also demonstrated costs)

5 Transportation

If transportation of goods is included in the contract scope of supply, the Supplier shall use the most economical means of transport, taking account of transportation safety and delivery time set forth in the P.O. In this case, shipping expenses shall be separately charged and documented by regular invoices. Materials will be released subject to inspection. In case of delivery "free at destination" the acknowledged quantities and weights shall be those taken upon their arrival at SSE plant or in places specified by it. Any means of transport which should cause difficulties in unloading operations, upon their arrival at destination point, shall be sent back to the sender.

Costs relevant to goods transportation and associated risks shall be transferred from Supplier to SSE, in accordance with delivery conditions specified in the P.O. and with what provided for by ICC Incoterms® (in their latest revision in force on the P.O. forwarding date). Any loss or damage which should occur before title transfer (refer to art. 3), shall be totally at the Supplier's expense.

6 Packing

The Supplier shall provide a suitable packing of supplied materials, in compliance with P.O. provisions, or, if not specified, in compliance with the best packing techniques, taking account of the nature of products and anyway so as to ensure their safety. It shall also make sure that loose

components can be easily inspected and that machined parts are not damaged during transportation. The Supplier shall be fully liable for any damage caused to material because of an unsuitable packing, whenever it occurs, and shall indemnify SSE for all resulting consequences. Materials which for their dimensions and weight should not allow a suitable packing, shall be placed on platforms, pallets or anyway rested on cross-beams of suitable thickness in order to allow their handling and unloading under safe conditions.

7 Inspection – Final Quality Control

SSE shall have the right to inspect, check or test goods and services, at any time, irrespective of where goods are located or services performed. The inspection, examination and test by or on behalf of SSE shall not result in an acceptance of the supply and shall not relieve the Supplier from any obligation or responsibility set forth in the P.O.

For Field Service Activities:

Signature by SSE and customer representative on Supplier personnel timesheets indicate SSE's final acceptance for Services rendered by Supplier.

8 Non-acceptance

SSE reserves the right to reject all or part of the goods a/o services deemed non-compliant with P.O. requirements and return them to Supplier at the risk and expense of the latter. In the event of non-acceptance of a supply by SSE due to inconsistency between the ordered goods and the received goods, the Supplier shall have the obligation to put in place any action deemed necessary in order to make the supply compliant with the P.O. requirements, in the shortest possible time.

For Field Service Activities:

Technicians shall be evaluated by SSE through related CVs sent by Supplier before acceptance of the same. Supplier shall furnish, in addition and included in base rate, all necessary technical support in order to ensure target achievement. Anyway SSE reserves the right to demobilize supplied technicians if personnel technical level is not adequate (both in terms of quality and quantities) to perform commissioned activities. SSE reserves also the right to require major costs arising from non-fulfilment of activities.

9 Warranty

The Supplier represents and warrants an efficient operation of the supplied products and their compliance with requirements, standards and contract specifications; it also warrants that all materials used are free from defects and that design and workmanship were executed according to the best practices and the latest technologies.

The warranty period shall comply with provisions of applicable Community standards and international agreements, and anyway will never be shorter than two (2) years. In case of non-compliance a/o defects, regardless of whether they are visible a/o hidden, the Supplier shall have the obligation, at SSE's only discretion, to:

1. Replace the supplied products on site, at its own responsibility and expenses, with a similar product compliant with the requirements specified in the P.O or
2. Repair and return to site, under its own responsibility and expenses, without delay (and within the time requested by SSE) the defective or non-compliant product.

In any event, should the supplier fail to observe the aforesaid deadline or in case of Supplier's serious and irreparable default, determined during an adversarial debate between the parties, SSE reserves the right to reject the supply and replace it, at Supplier's expenses with another similar supply, which shall comply with the requirements contained in the P.O. Such supply shall be executed by another Supplier and this will result in P.O. cancellation. In that event, the Supplier shall indemnify SSE both for the higher cost and possible damages.

All parts repaired or replaced during the warranty period shall enjoy a new warranty period similar to the original one.

10 Ancillary Documentation

Each product supplied against the P.O. shall be accompanied by copies of relevant certificates as well as Operating and Maintenance Instructions. Certificates relevant to shipment shall be dispatched with a cover letter, in a sealed envelope. Each certificate shall bear a stamp "true copy of the original" and the original signature of the Quality Control Unit. All documentation shall contain the following basic information:

- Description of the certified component
- P.O number, P.O. position and SSE material code
- SSE job number
- Reference specifications for carrying out inspections and evaluate results

All certificates to be produced are an integral part of the supply. Failure to send the required documentation may represent a reason for rejection of the materials shipped by the Supplier; if, at SSE's sole discretion, materials are anyway retained and used, terms of payment of the relevant invoice will run, without fail, from the date of reception of missing documentation.

With reference to REACH 1907/2006 Regulation, when the supplied material falls within "items subject to non-intentional release of substances" category, P.O. acceptance by the Supplier shall imply the obligation to provide items complying with such Regulation. As per art.33 REACH regulation, the Supplier shall advise the Client of the possible presence of SVHC (Substance of Very High Concern) in the Candidate List should they exceed a 0,1% weight/weight threshold. The reference Candidate List (periodically updated by ECHA: European CHemicals Agency) is the list in force upon shipment. The Supplier undertakes to provide a Declaration of Conformity with REACH regulation, of its products.

In its Declaration of Conformity, the Supplier shall mention any Directive applicable to the product, including the RoHS II (2011/65/EC directive dated June 8, 2011), regarding regulation of use of dangerous substances in electric and electronic devices. By accepting the order and sending a confirmation of order, the Supplier undertakes to issue a Declaration of Conformity of its products with RoHS II Directive.

SSE adopts a purchasing policy aimed at eliminating the use of tantalum, tungsten, tin and gold ("Conflict Minerals" or "3TG"), which might come from mines in area of conflict such as the Democratic Republic of Congo ("RDC") and neighbouring countries. Suppliers are invited to support SSE in its efforts to create a material supply chain free from conflicts, by adopting, in their turn, a proper purchasing policy. Furthermore, suppliers are requested to draw and regularly update a list with all the items supplied to SSE and containing tantalum, tungsten, tin and gold (3TG).

In order to ensure a high quality and safety standard of its Supply Chain, SSE requires its suppliers to adopt a Security Policy and a proper Security Supply Chain.

11 Penalties (clause to be explicitly activated in the P.O.)

Product delivery date shall be deemed as an essential term, pursuant to art. 1457 C.C. according to what set forth under previous art. 3. In case of late delivery, not ascribable to a valid Force Majeure event, without prejudice to SSE's right to legally cancel the P.O, the Supplier shall pay SSE, a penalty for mere delay, without prejudice to compensation for further damages, equal to 1% of the amount corresponding to the order position, for every full week of delay, regardless of the quantity of undelivered goods, including required documentation and certification. What is mentioned

above may be applied by SSE also in the event of items which, although delivered on contractual dates, are rejected after testing for defects ascribable to Supplier, without prejudice to any other obligation set forth by the P.O.

12 Material supplied by SSE

Any material granted by SSE under a tolling agreement shall be managed by the Supplier under its own full responsibility. The Supplier shall take out an insurance policy, at its own expense, with a first rate Insurance Company, in order to cover possible damages directly or indirectly caused to SSE a/o third parties (ref. art. 20). Materials belonging to SSE shall be stored by the Supplier and properly used by it in order to prevent any damage or loss; failing which, any damage found shall be charged to the Supplier, without any compensation for the work already performed.

If not otherwise agreed in writing, all the fixtures, equipment and materials, of any kind, supplied by SSE to the Supplier or expressly paid by SSE, and any replacement, complementary or ancillary material, shall remain the property of SSE. Such material shall be clearly marked a/o properly identified by the Supplier as the property of SSE, it shall be stored by the Supplier under safe conditions, distinguished and separated from materials of the property of Supplier. Materials belonging to SSE, while under Supplier's custody or control, shall be retained at Supplier's risk and insured by the Supplier itself at its own expense for an amount equivalent to its value and returned to SSE upon its request. In that event, the Supplier shall return the aforesaid material to SSE, in the same original conditions, except for normal wear, at its own expenses.

13 Amendment to Order and Revisions

SSE shall have the right to make any P.O. amendment or supplement (quantity, place and date of delivery, shipping and packing methods etc.), with prior notification to Supplier. Such amendments shall be accepted by a formal confirmation of order by the Supplier. The Supplier shall promptly notify SSE of any price change and time required in case of amendments and such amendments shall be agreed in writing between the parties, in an Amendment to P.O.

For Field Service Activities:

SSE reserves the right to change scope of works in duration or commissioned activities, upon written communication by SSE to Supplier.

14 Transport Documents and Invoicing

A Transport Document (TD) shall contain any useful information for a proper identification and reception of goods, including at least (for each item), the P.O number, the Order Position Number, SSE Material Code, Delivered Quantities.

TD for materials of Italian origin shall be drawn in 3 copies, in compliance with applicable tax regulations. In case of materials forwarded to a destination other than Prato SSE plant, a copy of TD, signed by the carrier which is taking charge of goods, or similar shipping documents, shall be immediately sent for the attention of SSE Logistic Function. In the event of incomplete, missing or non-compliant documentation with what specified above, goods will not be accepted and terms of payment of relevant invoices will run from reception of requested documentation.

The Supplier shall invoice goods according to terms and conditions specified in the P.O. or failing an agreement on this subject, on the delivery date. The invoice shall be sent to SSE and contain at least (for each item) information relevant to Supplier's company name, SSE P.O. number, SSE order position number, TD number, product quantities and identification, unit prices and total amount, VAT Number, bank details for payment. Terms of payment shall not be deemed as essential under art. 1457 C.C. The invoice shall be subject to provisions of tax legislation in force on the invoicing date.

15 Assignment of receivables

Assignment of receivables, specific collection notes or any other system of delegation of payment shall not be admitted without the prior express written consent by SSE.

16 Prohibition to subcontract

It is strictly prohibited for the Supplier, under pain of P.O. cancellation and refund of any damage and expense, to subcontract to third parties, total or partial work execution, without a prior and written authorization by SSE. Should such authorization be obtained, the Supplier shall include in its sub-contracts all obligations and charges, none excluded, mentioned in the original P.O., and send a copy to SSE within 10 days from their issue. The Supplier shall remain jointly liable towards SSE with its sub-suppliers, for the proper P.O. execution, even in case of compensation of damages. If during work execution the Sub-supplier should prove unsuitable for the performance of work undertaken, SSE, at its sole discretion, may order the immediate sub-contract termination, by a written notification.

17 Obligations related to health and safety

The Supplier, as contractor, shall satisfy all legal obligations related to health and safety at work, pursuant to Legislative Decree no. 81/2008 and following amendments a/o additions, and in particular :

- It shall employ only regular labor for the performance of its activity. Personnel shall be specifically skilled for its task, properly trained and aware of risks associated with its working activity;
- It shall provide the employed personnel with a picture badge showing the worker name and employer's data.

Furthermore, before starting any service performance, the contractor shall remit the following documentation to SSE:

- a. Certificate of registration with the Chamber of Commerce (or equivalent for not Italian suppliers);
- b. A Self-declaration stating it possesses the technical and professional requirements in compliance with art. 47 of DPR no. 445/2000;
- c. A valid DURC (statement of correct fulfillment of welfare contribution obligation) (or equivalent for not Italian suppliers);
- d. Acceptance of DUVRI (document for the evaluation of interference risk) drawn up by SSE pursuant to art. 26 of Lgs. Decree no. 81/2008 and following amendments a/o additions. By signing a DUVRI, the contractor represents it was made aware by SSE of specific risks existing on the workplace and of prevention and emergency measures to be adopted, and also of risks resulting from the presence on site of SSE or of other (possible) third parties.

Failure to remit even only one of the aforesaid documents within the service performance commencement date, the contract will be considered terminated by law.

If the contractor intends to use special equipment belonging to SSE, it shall inform it in writing and communicate the names of people who may use such equipment as well as certify, taking full and wide responsibility for the accuracy of such certification, personnel empowerment, capacity and preparation to the required use.

The payment of contract related amounts is conditional to the remittance by contractor of documents certifying the fulfillment of obligations set forth under Lgs. Decree no. 276/2003 and L.D. 223/2006, as converted and amended by L. 248/2006.

18 Confidentiality

The Supplier undertakes to protect, under its full responsibility and with the greatest care, any information provided by SSE, not to disclose it to third parties and keep it confidential also in the event of contract termination for whatever reason; it also undertakes to ensure the fulfillment of such commitment by its own employees, consultants and collaborators, in general, and it shall be deemed liable in case of non performance by such persons. Drawings, specifications and documentation accompanying the P.O. issued by SSE contain technical information and are transmitted to Supplier only for the purpose of implementing SSE scope of supply. Therefore, the aforesaid document may not be copied, transmitted to third parties or used for the execution of Supplier's own work or any supply to third parties. Please refer also to Confidentiality Agreement to be signed and sent back by Supplier to SSE before starting of works.

19 Responsibility for goods and service performance at SSE plant or SSE job-sites

The Supplier shall take all adequate precautions in order to prevent any physical or material damage and any damage to SSE or third parties' properties during the performance of services or supply of material. The Supplier, as a consequence of what stated above, shall be liable for any direct a/o indirect damage to people, material a/o properties of SSE or third parties, directly or indirectly caused by the material being the object of SSE supply a/o for any cause occurred during service performance or material supply.

20 Insurance for goods and service rendered at SSE plant or SSE job-sites

The Supplier shall take out, at its own expense, an insurance policy against all risks concerning liability for direct or indirect physical and material damages, for a maximum sum insurable, deemed consistent and sufficient by SSE in order to cover possible damages, pursuant to art. 19. Such policy shall be taken out with a first rate national insurance company, which shall meet full SSE approval. On SSE request, the Supplier shall provide the relevant certificate issued by the insurance company, certifying that an insurance coverage is operating and also undertake not to cancel or modify Insurance conditions during contract execution, without prior authorization from SSE.

In addition to what stated above, the Supplier shall indemnify SSE for any physical, material or property damage resulting from the use and sale of the supplied material in compliance with the applicable Italian regulation regarding warranty of sold products.

21 Contract Termination

Should the Supplier, at SSE's sole discretion, be in default in fulfilling one of the obligations set forth under articles 3, 9, 15, 16, 17, 18, 19, 20 of these PGT&C, SSE reserves the right, at its own sole discretion, to:

- a. Cancel, pursuant to art. 1456 C.C., at any time, with immediate effect, the single purchase to which the non-fulfillment refers to and all the other purchases, subject to compensation for damages;
- b. Grant the Supplier a fifteen (15) days period to make the necessary corrections and comply with provisions of the P.O. and present PGT&C, it being understood that, should the default persist beyond the aforesaid fifteen (15) days' delay, SSE may terminate by law and with immediate effect, the single purchase to which the non-fulfillment refers to.

In the event of contract termination, the Supplier shall have the right to be paid only for regularly executed works, after deduction of possible damages to be set-off and without prejudice to SSE's right to claim for damages resulting from Supplier's non-fulfillment.

In case of claim for damages suffered by SSE, the Supplier acknowledges SSE's right to suspend payments due for any service performance until such damages are quantified, and also to offset the amounts due.

Should SSE decide to take advantage of this termination clause, In compliance with art. 1456 of c.c., the Supplier shall be bound to hand over materials and works as they are.

SSE shall have the right to buy-back, in whole or part, all materials, tools and machine on the site.

22 Suspension and Withdrawal

SSE shall have the right to suspend a P.O., in whole or in part, should circumstances which may entail considerable changes in the conditions which lead to P.O. placement, arise.

SSE shall be entitled to withdraw from the P.O in the event of dissolution or liquidation of the Supplier, or transfer to third parties of direct or indirect control by the Supplier (as to control meaning, please refer to art. 2359 of Civil Code) or in other unforeseeable cases. SSE shall recognize costs borne by the Supplier during contract execution, contract termination and withdrawal from contract. The right of withdrawal shall always be notified by SSE to Supplier by a registered letter with acknowledgment of receipt.

23 Non-Competition Agreement

Supplier must receive written approval by SSE before establishing direct business relations with SSE's customers for site/plant introduced to Supplier by SSE.

24 Non-Solicit Agreement

During the term of this Agreement and for two (2) years after any termination of this Agreement, Supplier will not, without the prior written consent by SSE, either directly or indirectly (on Party's own behalf or in the service or on behalf of others), solicit or attempt to solicit, divert or hire away any person employed by SSE.

25 Applicable Law and Court of Competent Jurisdiction

The P.O, its provisions and these PGT&C are governed and construed in accordance with Italian Law.

Notice for Italian Suppliers: any dispute or litigation arising between the parties with respect to the P.O a/o the present PGT&C, including those concerning their validity, interpretation, performance and termination, which may not be settled in an amicable way between the parties, shall be finally settled under the exclusive jurisdiction of the Court of Prato.

Notice for foreign suppliers: any dispute or litigation arising between the parties in relation to the P.O. and the present PGT&C, including those concerning their validity, interpretation, performance and termination, which may not be settled in an amicable way between the parties, shall be finally settled according to the Rules of Conciliation and Arbitration of the International Chamber of Commerce in Paris, by one or more arbitrators appointed in compliance with such rules. The arbitrator or arbitrators shall decide by taking account of the present PGT&C and the provisions of contractual documents making up the P.O. If this will not be sufficient to settle the dispute, the Italian Law shall apply. The seat of arbitration will be in Rome, Italy. The arbitration procedure shall be conducted in English a/o Italian, according to what agreed between the parties. If no agreement is reached the proceeding will be conducted in English.

26 Force Majeure

A Party shall not be deemed in default of any of its obligations under the present PGT&C or P.O, should such non-fulfillment be due to Force Majeure. By Force Majeure we mean any unforeseeable and inevitable event such as, by way of example, strikes, riots, natural disasters, government measures, wars, embargoes, terrorism and more generally, any other unpredictable event beyond parties' control. Parties' performances shall be suspended for all the duration of such events.

The Party which invokes Force Majeure shall send the other party a written notice describing the event that has arisen, within 7 days from its beginning, to be confirmed within 15 days from the occurrence of the event itself, by evidential documentation containing a statement by Competent Authority (such as the Chamber of Commerce). Subsequently, the same Party shall notify within 3 days, the end of the Force Majeure event. In that case, SSE may disclaim the P.O without paying any amount.

27 Code of Ethics and Management Systems

SSE has adopted an organizational, management and control model and a relevant Code of Ethics in compliance with provisions of Legislative Decree no. 231/2001. Furthermore, SSE has implemented a Quality Management System, an Environmental Management System and a Health & Safety Management System that have been assessed and certified to meet respectively the requirements of ISO 9001, ISO 14001 and BS OHSAS 18001. All suppliers which intend to establish business relations with SSE shall adhere to principles specified therein. It is possible to consult our Code of Ethics and our Quality & EHS Policies by visiting our company website under this link <https://www.sse.cc/customer-supplier-area/> .

28 Community Directives and Laws

The Supplier shall have the obligation to comply with provision of Directives issued by the EC and applicable to supplies being the object of P.O. In addition to that, the Supplier under its own direct responsibility shall fulfill any obligation imposed by the Italian Law, where applicable, for the execution of material and service supply.

29 Information note to Customers and Suppliers regarding personal data processing

An information note regarding personal data processing may be consulted via the following link <https://www.sse.cc/customer-supplier-area/> . Suppliers have the obligation to consult it in compliance with applicable legal provisions.

Date _____

Signature _____

The Supplier, hereby declares, that expressly approves the following articles:

Art. 2 Contract Conclusion; Art. 3 Delivery of goods and Services – Title transfer; Art. 4 Prices, Invoicing and Payments; Art. 7 Inspection – Final Quality Control; Art. 8 Non-Acceptance; Art. 9 Warranty; Art. 11 Penalties; Art. 13 Amendments to Order and Revision; Art. 15 Assignment of debts; Art. 16 Prohibition to sub-contract; Art. 21 Contract termination; Art. 22 Suspension and Withdrawal; Art. 23 Non-Competition Agreement; Art. 24 Non-Solicit Agreement; Art. 25 Applicable Law and Court of the Competent Jurisdiction.

Date _____

Signature _____