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General Terms and Conditions of Purchase

1. Overview

1.1. **Definitions** – In these General Conditions the words below have the following meanings:

“Supplier”: the individual or legal entity identified in the Order and in the contracts;

“Purchaser” or “SAG Group”: SAG Group S.r.l. and/or every company directly and/or indirectly controlled by it or affiliated with it;

“Order”: a written request for the supply of Parts made by SAG Group and/or any company controlled by or associated with it;

“Parts”: parts, units, sub-assemblies and assemblies intended for first use or as loose parts or spare parts, as well as Prototypes, Semi-Finished Products, services, performance, consumables, equipment, machinery and any other item referred to in the Order;

“Prototypes”: the parts, units, sub-assemblies and assemblies conforming to the technical specifications provided or approved by SAG Group, intended for production and generally handcrafted or with temporary equipment, for which is requested the strictest possible confidentiality;

“Technical information”: every kind of information or technical documentation, as well as models or samples made available to the Supplier by SAG Group;

“Equipment”: gauges, moulds, specific equipment, control equipment, etc. necessary for SAG Group’s business activity;

“Semi-finished products”: the parts, units, sub-assemblies and assemblies intended to be used as Parts by SAG Group only after further processing;

“Open Order”: an order with confirmed and forecast quantity. Forecast quantities are intended to be indicative and don’t authorize delivery;

“Closed Order”: the request, addressed by the Purchaser to a supplier, for the purchase/supply of a determined quantity of contractual products;

“Feasibility study”: preliminary operation during which the Technical Office evaluates whether the Supplier will be able to produce the part to be offered. Any limitations or differences from the requests (drawings, regulations, CSR, etc.) must be reviewed at this stage and communicated in writing to the Customer.

1.2. **Derogations** - The contractual relationship resulting from the completion of the order is governed by these General Conditions, which replace every previous regulation between the parties, including the Supplier’s general conditions in force. Any exceptions to said General Conditions shall only be valid if agreed to in writing. Orders, delivery requests, as well as changes and additions may also be submitted by email or other means of communication.

1.3. **Order** – The Order is considered confirmed in all its parts by SAG Group, upon receipt of the order confirmation from the Supplier. Even if SAG Group does not receive a copy of the Order signed by the Supplier, the execution of the supply shall be considered, in all events, as tacit acceptance of these Conditions. Regarding the Open Order, automatically generated through ERP system, the requested quantities are understood to be tacitly accepted by the Supplier, unless there is a communication received by SAG Group within 5 working days from their receipt of said Order.

1.4. **Transfer to third parties** – The Order and/or its execution are not transferable by the Supplier, even partially, except with the express written consent of SAG Group. Failure to comply with this rule gives SAG Group the right to refuse the material, even if it has already arrived.

1.5. **Withdrawal** – In the event of circumstances that predict that the Supplier will not be able to ensure the current performance of the commitments undertaken and even more so in the event of bankruptcy, composition with creditors or any insolvency proceedings against the Supplier’s enterprise, SAG Group shall have the right to withdraw from the contractual relationship by means of simple written communication.

1.6. **Validity** – Any conduct, also repeated, on the part of one of the two parties not corresponding to one or more of these conditions may not, in any way, affect the right of the other party to request, at any time, compliance with them.

1.7. **Invalidity** of a clause – If a provision contained in this text or in future agreements is, or becomes invalid, it does not change the validity of the contract itself. The parties undertake to behave in good faith to replace the invalid provisions.

1.8. **Confidentiality** – The Supplier undertakes not to promote its commercial dealings with SAG Group without SAG Group’s written consent and to and to treat as confidential all Technical, Commercial or other Information of which it becomes aware in the performance of the Order, with particular attention to anything classified as “prototype”, which is to be treated as the highest confidential/secret. The Supplier is required to impose similar obligations on its sub-suppliers.

1.9. **Competent court and applicable law** – The court of Reggio Emilia has exclusive competence for every dispute deriving from the relationship governed herein or relating to it; SAG Group, however, reserves the right to serve notice to the Supplier to appear before the court where the Supplier has their registered office. The applicable law is that of the Italian Republic. In the event of Orders on

behalf of an enterprise in the group of the Purchaser with registered office abroad, the law of the Italian Republic shall still be applied even if the Supplier is based in that country.

- 1.10. SAG Group requires from its commercial partners (including Suppliers) particular consideration of questions linked to the fight against corruption, instruments aimed at preventing the laundering of money of illicit origin, controls on imports and exports of goods and services, and free competition.
- 1.11. SAG Group reserves the right to verify compliance with the above-mentioned requirements on the part of the Supplier, also through access to the latter's production or commercial sites.
- 1.12. The Supplier is aware and acknowledges that failure to comply with the above-mentioned requirements shall constitute for SAG Group a serious non-fulfilment on the part of the Supplier of these General Terms and Conditions of Purchase; as a result, in such case, SAG Group shall have the right to terminate these General Terms and Conditions of Purchase and the relative contractual relationship with the Supplier at any time, pursuant to article 1456 of the Italian Civil Code.

2. Technical information and industrial property

- 2.1. Feasibility study: the Supplier is required to carry out, at the time of the offer, a study aimed at verifying whether all the characteristics required on the drawings, in the related regulations, in the mandatory regulations and in the CSR (Costume Specific Requirements) can be respected. Any alleged deviation from these requirements must be communicated in writing to SAG. Only after SAG's approval (in written form) of all deviations it will be possible to proceed with the offer, sampling, etc.
- 2.2. The confidential Technical Information that SAG Group communicates or makes available to the Supplier for the design, experimentation, development or production of a Part, or makes available to the Supplier for the design, experimentation, development or the production of a Part, relative Prototypes or Equipment, remain the exclusive property of SAG Group and may be used only for the execution of the Orders. In relation to these, the Supplier, even after the termination of the supply relationship, is required to:
 - a) preserve it with maximum care and confidentiality and return it to SAG Group upon request;
 - b) mark it as property of SAG Group in the event that SAG Group has not already done so; not to reproduce or copy it unless within the limits expressly authorised by SAG group and not to transmit it or reveal the contents to third parties; not to file patents or other industrial property rights which, in the event deposited, however, must be transferred, with exclusive ownership, to SAG Group;
 - c) not produce or have third parties produce and/or supply, for any reason, directly or indirectly, for use in production or as spare parts, Parts designed and produced exploiting the Technical Information as above, in the event that this could affect industrial property rights and secret industrial know-how;
 - d) directly fulfil and/or have fulfilled the obligations deriving from this article by any third party to which it has transmitted, with SAG Group's consent, Technical Information in the context of the execution of an Order. In transmitting the Technical Information, Supplier agrees to also transmit to its sub-suppliers any security requirements requested by SAG Group to the Supplier.
- 2.3. Once the Feasibility study has been carried out, in proposing solutions or accepting to design for SAG Group or supply to it a Part, the Supplier is required to communicate beforehand, in writing to SAG Group, if and by what industrial property rights the Part is covered. Failure to provide prior communication to SAG Group by the Supplier, it will be interpreted as a waiver by the Supplier to renounce any industrial property rights against SAG Group and the suppliers to whom the production of the Particular is entrusted by SAG Group on its behalf.
- 2.4. If the Supplier, according to SAG Group's instructions, is required to apply the SAG trademark or other trademarks or distinctive signs belonging to SAG Group on the Parts ordered and/or on the original packaging that SAG Group may request. This operation cannot under any circumstances be understood as a license to use the SAG brand and the Parts as marked above may be supplied exclusively to SAG Group.
- 2.5. The Supplier is required to create an archive of the drawings transmitted by the SAG Group Purchasing Office, and take care of their management, conservation and updating. The drawing will be sent by the SAG Group Purchasing Office only once, with the first purchase and/or work order. In case of modification of the design, the SAG Group Purchasing Office will send the updated design according to the latest modification index. It is the Supplier's responsibility to destroy the copy of the drawing with the previous index and replace it with the new one on the archive. The Supplier must verify, before starting production, that he has the latest updated drawing, comparing its modification index with the modification index reported in the purchase or work order: the two indices must be the same. Otherwise, the SAG Group Purchasing Office must be informed as soon as the mismatch is detected; production can continue only after receiving the updated SAG Group drawing. IN THE EVENT OF A DISPUTE, THE REVISION INDEX REPORTED ON THE ORDER WILL REFERENCE. If on the date of any update of the modification index, the Supplier has in stock material already processed on orders previously confirmed, according to the previous index(es), it must be promptly notified to SAG Group Purchasing Office in writing. SAG Group undertakes in any case to collect it if the putting into production of said batch has been agreed and defined.

3. Specific pieces of equipment and materials

3.1. The Equipment that SAG Group makes available to the Supplier for the execution of the Order remains the exclusive property of SAG Group. The Supplier is liable for its loss, destruction or damage. With regards to the above-mentioned pieces of Equipment the Supplier is required to:

- a) register them and mark them as property of SAG Group;
- b) provide, where requested by SAG Group, suitable insurance cover against fire, theft, vandalism, natural disasters, tampering and other insurable risks of loss or damage
- c) keep and use them with maximum care and to arrange at their expense ordinary maintenance;
- d) report to SAG Group necessary extraordinary repairs, replacements or makeovers with the maximum urgency, it being understood that it is up to SAG Group to make every decision regarding the carrying out of such repairs, replacements or makeovers, which shall be paid by SAG Group unless they are due to accidents, negligence or other causes attributable to the Supplier, in which case the cost will be borne by the Supplier;
- e) not transfer them outside its factories except within the limits of what is previously authorized by SAG Group;
- f) allow SAG Group officers to check, during regular work hours, the methods of their preservation, use, and conditions;
- g) not transfer them to third parties for any reason and not establish warranties on them;
- h) not use them or allow anybody to use them unless it is for the execution of orders, even after the termination of the supply to SAG Group and, in any case, not reproduce and/or transfer them to third parties for any reason, directly or indirectly, for use in production or as spare parts, Parts designed or produced on their basis;
- i) make, upon written request of SAG Group, any technical modifications to the pieces of Equipment; the related costs shall be agreed in writing in advance and borne by SAG Group;
- j) comply with the instructions provided by SAG Group regarding their return, scrapping or conservation for any supplies intended for the specific spare parts service of SAG Group upon termination of the supply of the Part for which they are used for.

3.2. The provisions of article 3.1 are considered applicable, as far as compatible, also in relation to Semi-finished products and other materials owned by SAG Group which the latter has made available to the Supplier for, or in relation to the execution of the Order.

3.3. With reference to specific pieces of Equipment owned by the Supplier, regarding to which SAG undertakes to pay the residual depreciation in the event of early termination of the supply:

- a) they must be sold to SAG Group at a price equal to the remaining residual depreciation, in any case of termination of the supply;
- b) it is expressly agreed that they are not to be used except for the execution of the Orders.

4. Modification of the supply

4.1. Upon request of SAG Group, the Supplier undertakes to:

- a) promptly modify the characteristics of the ordered Part;
- b) promptly cease the production and supply of the ordered Part.

4.2. In case of a request of modification, the Supplier is required to take all measures aimed at containing, as far as possible, the quantity of outdated or cancelled Parts and, in all events, to comply with the agreements made each time there's a modification, and/or with SAG Group's instructions as well as to allow SAG Group to check the stocks.

4.3. In the cases referred to in Article 4.1, without prejudice to the provisions as per article 4.2 unless otherwise agreed, Parts that have already been produced or Parts undergoing their process shall still be supplied to SAG Group by the Supplier for a quantity that, in any case, shall not exceed the quantity agreed in the order.

5. Reliability, Quality and Controls

5.1. Before the supply relationship, the Supplier must ensure compliance with the mandatory directives such as 2011/65/UE RoHS II (restriction of the use of certain dangerous substances in electric and electrical appliances), 2012/19/UE WEEE (RAEE) (waste electric and electronic equipment), 1907/2006 REACH (registration, assessment, authorisation and restriction of chemical substances). The Supplier must also ensure that the supplied products are free from radioactive contamination with values higher than those normally present in nature according to the legislative provisions (Legislative Decree 52/2007 implementing Directive 2003/122/EC), making the Supplier responsible for the necessary controls.

5.2. Unless otherwise agreed in advance in writing at the time when the study and/or alternative solutions and/or the supply of the Part are proposed or accepted by the Supplier, and unless the Part is produced by the Supplier in accordance with the technical and technological documentation made available by SAG Group, the Supplier undertakes to carry out and/or have carried out all the tests and/or controls necessary to establish the reliability and suitability of the Part for the intended use as well as its compliance with the Italian and foreign legal requirements reported by SAG Group. The results of the above controls and tests are not binding for SAG Group, which reserves the right to give the supply approval at its own unquestionable discretion. The Supplier is authorised to start series production only after having received supply approval from SAG Group on the sample or pre-series. It is understood, however, that any supply approval on the part of SAG Group does not exonerate or diminish the Supplier's liability and guarantees.

- 5.3. The Supplier undertakes, for itself, and any subcontractors or third parties, to implement and maintain suitable means and processes of production and control to ensure that the Parts to be supplied are, at all times, reliable, of adequate quality and in accordance with SAG Group technical prescriptions (drawings, standards, specifications, tables, approved and/or deposited samples, etc.).
- 5.4. Considering the responsibilities and obligations deriving from the previous articles 5.1 and 5.2, the Supplier, with the acceptance of the Order, accepts and undertakes to comply with the indications of SAG Group, permitting, moreover, SAG Group to carry out inspections and controls on the processing methods and/or tests to be carried out. The Supplier is obliged to impose similar obligations on its own subcontractors.
- 5.5. Further to SAG Group written request, the Supplier undertakes to issue and send along with the Parts shipped to SAG Group an appropriate “Certificate of Quality and Conformity” or “EN10204 3.1” with which the Supplier certifies that said Parts have been adequately tested and that after said testing they are suitable for their intended use; SAG Group shall have the right to refuse Parts in the absence of said certificate.
- 5.6. No modification may be introduced by the Supplier in the production of the Part unless there is a written authorization from SAG Group. The Supplier is required to report in advance to SAG Group the technical innovations that are likely to improve the quality, service, costs and/or characteristics of the Part ordered, as well as technological innovations that may affect the quality of the Part.
- 5.7. If the Part ordered is subject to Italian and/or foreign legislative regulations (concerning safety, anti-pollution, etc.), upon indication from SAG Group, the Supplier is required to prepare specific documentation relating to the approval and processes which shows, among other things, how, by whom and with what results the characteristics concerned were tested. This documentation must be kept by the Supplier for at least ten (10) years and must be delivered to SAG Group upon its request. Furthermore, since SAG Group is obligated to the competent authorities to allow by the same controls and inspections of the production and testing methods and related documentation, the Supplier declares itself willing to allow similar controls and inspections at its own company as well. The Supplier is obliged to impose similar obligations on its subcontractors.

6. Delivery

- 6.1. The marking, packaging, labelling, identification, shipping, transport and destination of the ordered Parts must take place in accordance with SAG Group instructions. The Supplier shall be liable to pay for damages resulting from any delay, loss or damage due to deficiencies or defects in marking, packaging, labelling, identification, shipping, transport or failure to comply with the instructions. Any modification by SAG Group to the delivery instructions must be in writing.
- 6.2. The packaging must respect the peculiarities of the product delivered, avoiding damage resulting from normal handling. Contamination protection criteria must be respected. Particular attention to oxidation protection. Regardless of the place of shipment (anywhere in the world), the parts arrived in SAG must be able to withstand a further 90 days of storage without any hint of oxidation. The same materials used for packaging must be respectful of the environment and of the operators involved in the handling.
- 6.3. Unless otherwise agreed, the delivery of the ordered Parts, for the purpose of ascertaining compliance with the delivery terms and the transfer of the risk on the goods from the Supplier to SAG Group, takes effect upon receipt of the goods at the latter’s point of receipt.
- 6.4. The terms and delivery schedules of the Parts ordered, referred to in the Orders or otherwise agreed, are binding and essential and, neither delays nor early deliveries are permitted. In the event of deliveries being made earlier than the agreed deadline, SAG Group is authorized to return such Parts at the expense and risk of the Supplier, or to charge the latter for the storage and reception costs. In the event of delivery delays not due to force majeure, SAG Group will have, at its choice, one or more of the following options:
 - a) demand the execution of the order in whole or in part, and apply a conventional penalty equal to 1% (unless otherwise agreed upon) of the price of the quantities not delivered within the agreed deadline, for each day of delay and/or of unavailability, starting from the date on which the Parts should have been delivered and up to the date of actual delivery;
 - b) supply elsewhere and at any time, in whole or in part, the Ordered Parts, at the expense and risk of the Supplier, with the sole responsibility of communicating this to the Supplier;
 - c) terminate the Order with immediate effect, by full right pursuant to and for the purposes of the art. 1456 cod. civil by simple written communication to the Supplier. In any case, SAG Group’s right to obtain compensation from the Supplier for any major damages suffered due to delivery delays is reserved. It is understood that SAG Group may offset all sums owed to it by the Supplier due to the delays with the sums owed by it to the Supplier for any reason, deducting the amount from the Supplier’s invoices due.
- 6.5. The Supplier is required to keep in its warehouse’s inventories of Parts, where requested, necessary to ensure the continuity of supplies according to the programmes, in the ways and terms agreed.
- 6.6. If the execution of the Order is prevented by the occurrence of proven causes of force majeure, a new delivery term may be agreed between the parties, provided that the Supplier has informed SAG Group in writing promptly (and in advance enough) of the arising of said causes and has taken all possible measures aimed at limiting the effects. The cause of force majeure cannot be invoked if it arises after the agreed delivery term. It is specified that delays of subcontractors cannot be considered a cause of force majeure. In the event the cause of force majeure determines a delay in deliveries greater than twenty (20) days in relation to the agreed term, or

of a shorter delay that is incompatible with SAG Group's production requirements, the latter shall have the right to cancel the Order, in whole or in part, at any time, by written notice to the Supplier.

- 6.7. If the Parts produced by the Supplier on behalf of SAG Group are intended for export, the Supplier must submit - for customs purposes - a written declaration on a form supplied by SAG Group, concerning the origin of the Part object of the supply. This declaration must reach SAG Group at the latest with the first supply. The Supplier must immediately, and on its own initiative, report to SAG Group the origin of the Parts to be supplied that haven't been declared yet or any change of origin. The Supplier is responsible for all disadvantages that SAG Group may suffer due to the delayed or incorrect delivery of the aforementioned declarations. If necessary, the Supplier must confirm the information provided regarding the origin of the Details through an information template validated by a customs office.
- 6.8. Unless otherwise agreed in writing, the Supplier undertakes to deliver to SAG Group, further to its request, spare parts for the duration of ten (10) years from the last supply of the Parts used in the production of motor vehicles or other products intended for sale, with the possibility of renegotiating the terms of supply.
- 6.9. SAG Group's liability is excluded in the event of epidemics, pandemics, strikes, fires, picketing or other circumstances beyond SAG Group's control that may prevent delivery or lead to a reduction in the requirement of the Parts ordered.

7. Acceptance – Warranty

- 7.1. The simple delivery or payment cannot, in any way, be considered as acceptance of the parts, which is done by the competent SAG Group bodies according to the methods indicated below in this article. The Supplier may send its own personnel to SAG Group sites, prior to agreement with the same, to examine the methods and procedures used in reception control and acceptance testing.
- 7.2. The Supplier guarantees that the quantity of the Parts supplied complies to both what was agreed and to what is declared in the delivery note. In case the reception controls reveals that the quantity of the Parts supplied does not match with what was agreed, SAG Group shall have, at its discretion, one or more of the following rights:
- to accept the quantity differences found, with the right to change the quantities of any subsequent supplies accordingly;
 - to reject the part of the supply that is in excess, with the right, where the Supplier fails to arrange for immediate collection, to reshipe the excess at the Supplier's expense and risk or to charge the Supplier for stock, storage and acceptance costs;
 - to have the Supplier immediately arrange to send the missing part of the supply, it being understood that every greater cost or expense for the immediate integration of the shortfall shall be borne by the Supplier. SAG Group's claims for the exercise of the rights provided for in this article 7.2 shall be communicated to the Supplier within 90 days from the date of delivery of the lot in question;
 - The Supplier guarantees that the supplied parts are without flaws, defects in design, conformity or manufacturing defects deriving from:
 - the use of materials that are inadequate or of low quality,
 - the application of inadequate production processes,
 - failure to comply with the agreed contractual specifications and legal requirements that may have been reported by SAG Group.
- 7.3. For defects and/or flaws referred to in Article 7.2 detected in the period between the delivery of the Part and the exit of said Parts from the production site of the group on which the Part is used, SAG Group shall have the right to:
- obtain, at the Supplier's expense and risk, the immediate replacement of the Parts in question or the entire lot of which they are part of;
 - eject, at the Supplier's expense and risk, the Parts in question or the entire lot of which they are part of;
 - request that the Supplier, at its own expense, arranges for the selection of the defective Parts, or to carry out such selection directly at the Suppliers expense in case it hasn't been done within the requested or agreed term;
 - recover the Parts in question, at the Supplier's risk and expense, with supplementary processing in case of urgency or in cases in which the Supplier is not able to arrange for immediate replacement or in cases agreed to with the Supplier.

The exercise of the faculties referred to in letters a), b), c), must take place within six (6) months from the date of dispute. For all faults and/or defects referred to in this article, SAG Group's right to obtain compensation from the Supplier for any major damages suffered is in any case without prejudice. It is understood that SAG Group may offset all sums owed to it by the Supplier due to the faults and/or defects with the sums owed by it to the Supplier for any reason, deducting the amount from the Supplier's invoices due.

- 7.4. For flaws and/or defects referred to materials and parts necessary to produce the Part supplied by SAG Group to the Supplier, the following shall apply:
- for defects not detectable by the Supplier based on the SAG Group testing standards or, in the absence of such standards, based on those of the Supplier, the warranty obligations referred to in article 7.3 will not be applicable;
 - for defects that are not hidden, or in any case detectable according to the aforementioned rules, the guaranteed obligations referred to in article 7.3 will be applicable, it being however understood that the Supplier will be charged, instead of the price of the Part, the compensation established for the Supplier's processing in effect at the time of the charge;

c) The Supplier agrees to scrap and not to place on the market the defective or non-compliant Parts returned by SAG Group for which the recovery with additional processing has not been agreed upon, SAG Group being reserved all inspection and control rights to verify this compliance. Upon agreement with the Supplier on the manner of implementation, SAG Group may directly arrange for such scrapping on behalf of and at the expense of the Supplier.

7.5. SAG Group may not use the warranty provided in article 7 if the defects referred to in Article 7.3 are to be attributed to non-compliance with following of the instructions for use, maintenance and installation, inappropriate or improper use, or erroneous or negligent handling by SAG Group or third parties.

7.6. With the exception of Parts subject to industrial property rights of SAG Group, the Supplier guarantees that the production, use and marketing of the Parts supplied by it do not involve the infringement of industrial property rights of third parties, both in Italy and abroad, assuming the responsibility of promptly settling any third party claims and, in any case, holding SAG Group unharmed by such claims and protected from any action that may interdict the free production, sale or circulation of SAG Group products.

7.7. In the event that SAG Group is sued for civil liability (including "product liability") or contractual liability, or is accused of violating legal provisions (safety, pollution, etc.) as a result of defectiveness, non-conformity or unreliability of the Parts supplied, the Supplier shall be obliged to hold SAG Group unharmed and undertakes to stipulate, at its own expense, before supplying the Parts, an insurance policy in favour of third parties (to cover all risks with worldwide scope), insuring both parties against damages done by people and/or goods, directly or indirectly connected to the Parts, their production and marketing, during and after the term of this agreement. Alternatively, the Supplier will have the option to include SAG Group as an insured/protected party in the policy (all risks) provided that such policy is satisfactory and accepted by SAG Group. The insurance policy must:

- a) indicate SAG Group as the "insured party" and specify that the insurance cannot be cancelled unless the policyholder gives written notification to SAG Group at least 60 days before the effective date of cancellation;
- b) confirm that, in any case, the policy covers the liability of the Supplier.

The Supplier undertakes to maintain the insurance valid and effective for the entire validity of the supply and for the following three years after its end for any reason. The insurance coverage must cover 1.5 million euros per year per insurance.

7.8. Unless otherwise agreed in writing when the supply of the Part is proposed or accepted by the Supplier, in the event that SAG Group carries out a campaign for the recall or recovery of its motor vehicles in order to replace or repair parts found to be defective or not reliable or not conforming to the legal requirements indicated by SAG Group and even if the defect or the non-reliability or the non-conformity is found after the expiry of the warranty, the Supplier is required to supply, free of charge and without costs for SAG Group, the Parts necessary for carrying out the recall or recovery campaign and shall refund SAG Group the cost of disassembly and assembly operations.

8. Prices

8.1. The prices indicated in the Order are fixed unless otherwise specifically agreed in writing.

8.2. Any increases in the price of the parts due to construction modifications must be communicated beforehand by the Supplier and, in any case, only those accepted beforehand in writing by SAG Group shall be valid and binding.

9. Invoices, delivery notes and payment

9.1. Shipped Parts must always be accompanied by the Transport document in the number of copies requested by SAG group. The Transport document must contain, in addition to the elements required by law, the following indications:

- name of the Supplier;
- drawing serial number or SAG Group reference or code;
- production lot number;
- name of the Part;
- date of shipment;
- number and date of the Order;
- delivery address;
- quantity of the lot shipped;
- number of packages;
- and any other indication requested in the Order.

9.2. SAG Group shall pay the Supplier's invoices, subject to receipt of the duly completed documents stipulated in 9.1, according to the terms agreed upon in the bidding process.

9.3. In the event that, on one or more lots of finished Parts, a percentage of defective or non-conforming Parts greater than the agreed tolerance limit is found, SAG Group shall have the right to suspend, from the total of payments due at that moment to the Supplier, the payment of an amount equal to the price of the lot in question until the Supplier has delivered the parts or lot in replacement. For all cases of returning of sums unduly received by the Supplier or, in any case, due to SAG Group, the latter shall issue a relative debit note to be settled with the same methods and terms of payment as provided for the main operation.

10. Privacy

Each of the parties to this contract expressly permits the other party to communicate its data to third parties in the event said communication is necessary for the fulfilments, rights and obligation connected with the execution of this Contract or facilitates the management of relations deriving from it. The parties also acknowledge the rights recognised to them by the GDPR European privacy regulation no. 679/16 regarding the protection of personal data, and in particular the right to request their updating, rectification or cancellation.

11. Clause 231/01

The Supplier undertakes to strictly comply with current legislation and declares to be aware of the contents of Legislative Decree n° 231 of 2001 (Discipline of the administrative liability of legal persons, companies and associations even without legal personality, pursuant to article 11 of law 29 September 2000, no. 300). As a result, it is obliged to refrain from any unlawful conduct dependent on a crime governed by the aforementioned law, regardless of whether the crime was actually committed and investigated or not. The Supplier also declares to be aware of SAG Group's Organizational Model and Code of Ethics published on its website at www.saggroup.com - and to undertake to respect it. If the Supplier fails to meet this obligation, SAG Group will consider this circumstance to be a breach of trust on which the relationship between the parties is based and a serious breach of these conditions, and may exercise the right to immediately terminate the agreement as per Art. 1456 c.c. – as stated in the Contractor's document called "Sanctioning System" - as well as obtaining a fair amount to be determined as compensation for any damage suffered.

12. Sustainability

12.1. In consideration of the Code of conduct adopted by SAG Group, the minimum requirements to be met by suppliers, third parties and subcontractors is compliance with specific Sustainability Guidelines:

- a) Human rights and working conditions:
 - refusal of any form of forced labour or child labour;
 - recognition of the right of freedom of association in compliance with current law;
 - protection of people's health and safety;
 - guarantee of equal opportunities, fair working conditions and employee's right to receive training;
- b) Respect of the environment:
 - optimisation of the use of resources;
 - responsible management of waste;
 - elimination of production process of potentially hazardous substances;
 - development of products with low environmental impact;
 - use of an eco-sustainable logistical system;
- c) Business ethics:
 - high standards of integrity, honesty and fairness;
 - prohibition of corruption;

In case a supplier is found non-compliant of said principles, SAG Group reserves the right to interrupt the commercial relationship or to request the supplier a corrective action plan, the implementation of which is verified through appropriate audits.

13. Applicable law and competent Court

This Contract shall be regulated and interpreted according to Italian law. All disputes arising out of this Contract, or connected to it, shall be assigned to the exclusive jurisdiction of the Court of Reggio Emilia.

As confirmation of the above, these general conditions are signed by the supplier or by one of its duly authorised representatives by virtue of:

- Power of Attorney;
- Resolution of the Board of Directors;
- For approval and unconditional acceptance of the above-reported general conditions;

In accordance with article 1341 of the Italian Civil Code and following, we approve specifically in writing the following clauses of the general: 1.2 - 1.3 - 1.4 - 1.5 - 1.10 - 1.11 - 2.1 - 2.2 - 2.3 - 4.1 - 4.3 - 6.3 - 6.5 - 6.6 - 7.2 - 7.3 - 7.4. - 7.5 - 7.6 - 7.7 - 7.8 - 9.1 - 9.2 - 9.3 -11 - 12 - 13.

Sag Group S.r.l.

Stamp and Signature

Supplier

Stamp and Signature



SAG GROUP S.r.l.

Name and Surname

Position

Name and Surname

Position

Flavia Bandini

Vice President - CPO

Date:

Date:

10/02/2025