

General Purchase Conditions (“Agreement”) Ed. March 2023

1. DEFINITIONS

1.1 In this document, the following terms will have the following definitions:

“**Products**”: the products with accessories, and the technical documentation, as well as the necessary certifications which the Supplier undertakes to deliver to Pasuto in accordance with the Contract and/or these General Terms and Conditions;

“**Client**”: Pasuto S.r.l. (“**Pasuto**”), with the place of business in Italy, Santa Maria Di Sala (VE), Via Delle Industrie n. 4, which orders and purchases the Products and/or Services from the Supplier.

“**GENERAL PURCHASE CONDITIONS or GPC**”: these General Terms and Conditions of Pasuto for the purchase of Products and/or Services (2023-03 Italia), which form part of the Contract;

“**Delivery**”: delivery of the Products by the Supplier to the Client in compliance with Clause 7;

“**Contract**”: a written agreement and/or Purchase Order for Products and/or Services by the Client to the Supplier, including any written specifications subsequently signed by both parties to amend and/or integrate the Contract, including the GPC;

“**Client Data**”: data and information, including Personal Data, obtained by the Supplier for the purposes of the Contract, that relate to the Client or its respective clients or suppliers;

“**Personal Data**”: means any data or information relating to an identified or identifiable natural person;

“**Intellectual Property Rights**”: (a) patents, utility models, copyrights, database rights and trademarks, trade names, industrial designs, know-how and invention proposals; (b) patent applications or derivatives thereof, including confirmations, renewals, extensions; and (c) all other intellectual property rights;

“**Supplier**”: the party that supplies the Products and/or the Services to the Client at the relative Place of Delivery;

“**Place of Delivery**”: warehouse, factory or other property of the Client indicated for the physical delivery of the Products and/or to render the Services of third-party carriers or logistic suppliers identified by the Client or, if such place has not been indicated, the place of business of the Client in Via Delle Industrie n. 4, Santa Maria di Sala (VE);

“**Order**”: the order placed by the Client with the Supplier for the purchase of Products and/or Services, including any purchase order issued in writing and sent electronically;

“**Party**”: the Client or Supplier or jointly, the “Parties”;

“**Services**”: the services, with the technical documentation and relevant certification to enable its full, effective and safe use, which the Supplier undertakes to provide in accordance with the Contract and these General Terms and Conditions;

“**Variations on the Order**”: a variation on any Order which alters, modifies, omits, adds or otherwise changes the Order or part thereof.

2. APPLICATION OF THE CONDITIONS

2.1 The GPC integrating the Contract, include or coincide with the Order, unless otherwise specifically regulated by the Contract itself. In the event of overlap, discrepancies and contradictions between the Contract and the GPC, the provisions of the Contract shall prevail.

2.2 None of the conditions sent by the Supplier to the Client, contained in documentation from the Supplier such as offers, specifications or similar documents shall form part of the Contract, and the Supplier waives any right that could derive from such conditions.

2.3 The Supplier shall accept the Contract either expressly, with a written declaration or, implicitly, by performing all or part of the Contract.

2.4 Any amendment to the Contract shall be made in writing by the Parties.

3. SUPPLIER’S LIABILITY

3.1 The Supplier undertakes to deliver the Products to the Client and to provide Services in compliance with the applicable laws and regulations, as well as in accordance with the Contract. The Supplier guarantees to the Client that the Products and Services are free from faults or defects both in relation to the functioning and the safety, health and security, and from third-party rights, and are suitable for the purposes specified in the Contract and, those for which said Products and/or Services are normally used.

3.2 The Supplier shall ensure that the Products are packaged according to Pasuto packaging instructions and, in the absence of sector standards, in compliance with the requirements of any applicable law or regulation, in a way that will adequately preserve and protect the Products and enough to allow unloading and inspection in safety at the relative Place of Delivery.

4. QUALITY CONTROL AND PRODUCT LIABILITY

4.1 If the Client identify faults or defects regarding the quality of the Products and/or Services supplied or rendered by the Supplier, the Client shall inform the Supplier in writing. Notwithstanding any other remedy or measure available to the Client pursuant to the Contract, the GPC, and the law, the Client may instruct the Supplier so that the latter undertakes to examine the causes of such faults and defects of the quality, at its own risk and bearing all costs. Such tests shall be undertaken and the results shall be communicated to the Client in a report within ten (10) calendar days from notification of the problems connected with the quality. The Supplier shall also promptly inform the Client in writing if it becomes aware of any problems connected with quality, functioning and/or safety that may affect the Products and/or Services.

4.2 If Products already placed on the market prove to be defective or otherwise dangerous, the Supplier undertakes to implement and bear the costs of the relevant recall and withdrawal campaign, and to cooperate with any recall or withdrawal campaign of Products from the market that the Client may implement, and reimburse the Client for the costs of the recall campaign, including the costs of the hours/work of the Client’s employees and external consultants used for the recall campaign.

4.3 The Supplier is obliged to hold harmless and indemnify the Client from fines, losses, costs, damages, legal fees, direct and indirect losses, for every, and in every situation in which a product liability action or any other lawsuit is pursued against the Client, in the event that a defect of the Product supplied by the Supplier caused injuries or death to people and/or damage to property belonging to the Client and/or to third parties.

5. ORDER VARIATIONS

5.1 The Client may issue Order Variations to the Supplier and the Supplier shall make such Order Variations. If an Order Variation results in an increase or reduction in the cost or time required to perform the Services or Products, an equitable adjustment to the price and/or delivery schedule shall be agreed between the Parties in writing. Any request by the Supplier for an adjustment under this Clause shall be deemed waived if it is not submitted within thirty (30) calendar days after receipt by the Supplier of the Order Variation. Order Variations requested by the Supplier shall only become effective after written confirmation by the Client.

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- 5.2 The Supplier shall not suspend Delivery of the Products and/or Services, except in case of force majeure in accordance with clause 16 hereinafter.
6. **PAYMENTS, INVOICING**
- 6.1 In return for the Products delivered and/or the Services provided by the Supplier in accordance with the Contract, the Client shall pay the Supplier the purchase price specified in the Contract upon receipt of the relevant invoice. Payment shall be made in the country in which the Supplier has its registered office, to a bank account opened in the name of the Supplier. The price shall include all taxes and duties (other than VAT or its equivalent), as well as all costs relating to the manufacture, production, storage and packing (including the return of any returnable packaging) of the Products.
- 6.2 The Client shall make payment of the invoice in accordance with the payment terms agreed in the Contract. The Client reserves the right to set off or withhold payment if the Products and/or Services supplied do not comply with the Contract.
7. **DELIVERY, PERFORMANCE OF SERVICES**
- 7.1 Unless otherwise agreed in the Contract, the Products shall be delivered in compliance with the INCOTERMS 2020 FCA, at the Place of Delivery.
- 7.2 The Services shall be performed at the Place of Delivery.
- 7.3 The Supplier shall provide, at the latest, at acceptance of the Contract, the following basic information: the number of packages and their contents, the customs tariff codes of the country of delivery, and the countries of origin of all Products. For controlled Products, the relevant national export control codes and, if the Products and/or Services are subject to US export regulations, the US Export Control Classification Codes (ECCN) or the International Traffic in Arms Regulations (ITAR) Classification Codes shall be indicated. Evidence of preferential origin as well as declarations of conformity and marks of the country of delivery or destination should be submitted without being requested; certificates of origin on request.
- 7.4 At delivery, the Supplier (or carrier commissioned by the latter) shall provide the Client, with a bill of landing/delivery note and all the required export and import documentation.
- 7.5 Title in the Products shall pass to the Client at Delivery. For the avoidance of doubt, the Supplier shall have no retention of title, and shall confer valid title to the Products, free from liens or encumbrances.
8. **ACCEPTANCE**
- 8.1 Delivery of the Products or the Services shall not be deemed to constitute acceptance of said Products or Services by the Client. If the defect, fault or non-compliance of the Products and/or Services was not detectable, the Client shall communicate such defect, fault or non-compliance once it becomes apparent, and may refuse the Products and/or Services.
- 8.2 The Client may avail itself of any of the remedies provided for in the Contract and by the law for any faulty or defective Product or Service.
9. **LATE DELIVERIES - PENALTIES**
- 9.1 The Supplier shall deliver the Product or provide the Services in accordance with the dates or times agreed and specified in the Contract. If Delivery of the Products or Services does not comply with the delivery date(s) agreed, the Client may:
- 1) terminate all or part of the Contract;
 - 2) legitimately refuse the Product or Service without any further charge or cost on subsequent deliveries of Products or Services, already agreed, by said Supplier;
 - 3) recover reasonable costs sustained by the Client from the Supplier to obtain replacement Products and/or Services from another supplier;
- 4) claim compensation for damages for possible costs, expenses and penalties sustained by the Client which are attributable to a delay by the Supplier; and
- 5) claim the penalties agreed in clause 9.3.
- 9.2 The Parties agree that the Client may choose one or more remedies indicated in clause 9.1) above, and restitution of costs and damages under clause 9-3) shall not prevent the Client from obtain restitution of other costs and damages pursuant to the other provisions of Clause 9 and, in general, provided by the law.
- 9.3 In the event of any non-agreed early or late delivery with respect to the delivery date agreed between the Parties, the Supplier shall promptly inform the Client and provide details of such early or late delivery and its effect on the planned delivery date. The Client shall be entitled to demand payment of the penalty set out below for delays, except in the event of force majeure, at the value of 1% of the full price of the Products and/or Services specified in the Contract for each day of delay, up to a maximum amount of the penalty equal to 10% of the full price specified in the Contract. The Client shall also have the right to withdraw from the Contract with written notice to the Supplier if the delay exceeds 20 (twenty) calendar days.
10. **PRODUCT WARRANTIES AND REMEDIES IN CASE OF DEFECTS, FAULTS AND NON-COMPLIANCE OF THE PRODUCTS**
- 10.1. The Supplier warrants and represents that the Products supplied shall have the qualities and characteristics provided in Clause 3.1 above.
- 10.2. As integration of the warranties provided under Clause 3.1 above, the Supplier warrants and represents that the Products are new and have not been used by anyone before the Delivery Date and that they are and shall remain free from defects, faults and deformities for the entire Warranty Period.
- 10.3. The Warranty Period of the Products is thirty-six (36) months from Delivery or as specified in the Contract.
- 10.4. In case of defects, faults or non-compliance of the Products detected by the Client during the Warranty Period, the Client will have the right to claim one or more of the following remedies and measures at its discretion and at the Supplier's expense:
- (i) ask the Supplier to perform any further work that may be necessary to ensure that the terms of the Contract are met and/or promptly repair the Products within and not after 30 (thirty) calendar days from the Delivery Date, with a subsequent Warranty Period of the same length;
 - (ii) ask the Supplier to replace the defective Products, with a subsequent Warranty Period of the same length;
 - (iii) refuse any further Products to be supplied under the same Contract or other Contracts with the same Supplier at no extra charge or cost;
 - (iv) ensure that the Supplier indemnifies and holds harmless the Client following the breach of Contract by the Supplier;
 - (v) terminate the Contract, and in such case: (a) no payment shall be due to the Supplier by the Client for the Products supplied in breach of Contract and for the Products that have been rejected; (b) at the Client's choice, the Supplier shall be obliged to return all payments received from the Client for Products in breach of Contract and accept the returned Products at its own cost and risk; (c) the Client may obtain replacement Products from an alternative supplier and any increase in the cost shall be sustained by the Supplier.

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10.5. The rights and remedies available to the Client and contained in this Contract are cumulative and do not exclude any other legal rights or remedies.

11. INTELLECTUAL PROPERTY RIGHTS

11.1. The Supplier grants the Client, or, alternatively, assigns, transfers and conveys to the Client full rights of use, licence or ownership of any Intellectual Property Rights of the Products and/or Services and represents and warrants that the supply of the Products and/or the Services to the Client shall not infringe any Intellectual Property Rights of any third party.

11.2. In case of complaints, lawsuits or third-party claims against the Client for alleged infringement of Intellectual Property Rights due to or as a result of the supply of Products and/or the performance of Services, the Supplier shall, at its own expense, but at the Client’s discretion, cumulatively (i) obtain the right to continue using the Products and/or Services for the Client and/or the clients of the Client, as the case may be; (ii) modify the Products and/or Services to cease/terminate/remedy the infringement of the Intellectual Property Rights; or (iii) replace the Products and/or Services with equivalent ones which do not infringe any right. Alternatively, the Client shall have the right to terminate the Contract demanding restitution of all sums paid to the Supplier under the Contract.

12. COMPLIANCE, INTEGRITY

12.1. The Supplier shall supply the Products and/or Services in compliance with all applicable laws, regulations and codes of conduct.

12.2. The Supplier warrants and represents total compliance, present and future, with all applicable laws, regulations, instructions and commercial policies, including, among others, those aimed at securing the necessary customs clearances, proof of origin, import/export licences and exemptions by submitting the relative applications to the relevant government bodies and/or providing supplementary information relating to the provision of services, the release or transfer of goods, hardware, software and technology.

12.3. The Supplier warrants and represents that no goods, materials, equipment, component, part, technology or services included, incorporated or otherwise provided in relation to the Products and/or Services originate in countries or regions subject to embargo by any government authority (also, referred to as the “Relevant Authority”), that may issue sanctions or other measures against the Client too. If any one of the Products and/or Services should or shall be subject to export restrictions, the Supplier shall promptly inform the Client in writing, providing details of such restrictions.

12.4. The Supplier warrants and represents that it is not a legal or natural person subject to sanctions (the “Sanctioned Person”) issued by a Relevant Authority, including a person on the Specially Designated Nationals (SDN) lists and the USA’s Blocked Persons List. The Supplier acknowledges that the Sanctioned Persons may include persons who are not expressly included in said lists, but also legal persons who are directly or indirectly controlled or owned by 50% or more by a Sanctioned Person. The Supplier warrants and represents that no Sanctioned Person has any financial or similar interest in the Products and/or Services and that the supply of such Products and/or Services does not imply any transfer, payment or any other interest in the property/ownership of a Sanctioned Person.

12.5. Notwithstanding any contractual provisions to the contrary, the Supplier shall, without limitation, indemnify and hold harmless the Client in relation to any liabilities,

direct or indirect damages, costs or expenses incurred as a result of any breach of this Clause.

13. CONFIDENTIALITY, SECURITY AND DATA PROTECTION

13.1. The Supplier is obliged to maintain the Client’s Data and any other information regarding the business, products and/or technologies of the Client that the Supplier obtains in relation to the Products and/or Services to be supplied (both before and after acceptance of the Contract) strictly confidential. The Supplier shall limit distribution of said confidential materials to its employees, representatives or subcontractors or to other third parties on a need-to-know basis in order to supply the Products and/or Services to the Client. The Supplier shall ensure that said employees, representatives, subcontractors or other third parties are subject to and comply with the same obligations of confidentiality that apply to the Supplier who shall be held liable for any unauthorized disclosure.

13.2. The Supplier shall take all the necessary precautions, suitable for the type of Personal Data to be protected, in relation to the unauthorised access and disclosure of said Client Data, and shall protect the Client Data in compliance with the protection standards generally accepted in the relative sector, or in the same way and with the same level of protection it uses on its own confidential data and exclusive information, whichever standard shall be deemed to be higher.

13.3. The Supplier shall not (i) use the Client Data for any other purposes that are unrelated to the supply of Products and/or Services, except to fulfill specific accounting and tax obligations or other statutory or contractual obligations (ii) reproduce all or part of the Client Data in any form whatsoever, with the exception of those cases in which it is required under the Contract; (iii) communicate the Client Data to third parties, with the exception of the approved recipients indicated above or with the prior written consent of the Client.

13.4. The Supplier shall immediately inform the Client, in relation to suspected data breaches or other serious incidents or irregularities involving Client Data.

13.5. The Supplier agrees that the breach of any of the obligations relating to this confidentiality clause is likely to cause the Client serious and irreparable damage liable for compensation.

13.6. Protection of Personal Data

If, in connection with the supply of the Products and/or Services to the Client, the Supplier processes Personal Data of the Client, the Supplier undertakes to comply with the applicable laws and regulations on the protection of personal data, including EU Regulation no. 2016/679 (the “GDPR”) and subsequent amendments and integrations.

14. LIABILITY AND INDEMNITY

14.1. Without prejudice to mandatory statutory provisions, the Supplier shall, without limitation, indemnify and hold harmless the Client for any and all liabilities, direct and indirect damages, costs, losses and/or expenses sustained by the Client as a result of the Supplier’s breach of the Contract, including any action or claim that such Products and/or Services infringe third-party Intellectual Property Rights.

14.2. The Supplier is responsible for the control and management of all its employees, suppliers and/or subcontractors and is liable for their actions or omissions in the same way, for the purposes of these GPC, as if they were the Supplier’s actions or omissions.

14.3. The Supplier shall maintain an adequate public liability insurance policy as well as an accident/employer’s liability policy under the Regulations for Health and

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Safety in the Workplace with a reputable and financially sound insurance company, and if so required, provide evidence to the Client of the same, which shall not, however, relieve the Supplier of its liability to the Client. The amount insured shall not be deemed to be a limitation of liability.

- 14.4. Without prejudice to its contractual and/or statutory rights, the Client reserves the right, at any time, to set off any claims it may have in connection with the Supplier’s performance against any amounts due to the Supplier under the Contract.

15. TERMINATION AND WITHDRAWAL

- 15.1. The Client may terminate the Contract at any time by giving the Supplier thirty (30) calendar days written notice. In this case, the Client shall pay the Supplier the price of the Products and/or Services delivered or supplied (provided that such Products and/or Services comply with the law and the Contract) and the proven – supported with written documentation – direct costs reasonably incurred by the Supplier for the undelivered and unpaid Products and/or Services, which shall, in no case, exceed the purchase price of the Products and/or Services agreed in the Contract. No further compensation or indemnity shall be due by the Client to the Supplier in respect of any termination exercised under this Clause.
- 15.2. The Client may terminate the Contract with immediate effect by written notice if the Supplier is subject to a voluntary arrangement procedure, or if a petition for bankruptcy is filed or a judgment of bankruptcy is issued against the Supplier, or if a cause for winding-up arises or if there is a change in the control of the Supplier.
- 15.3. At termination, the Supplier shall immediately return to the Client, at its own expense, all Products of the Client, the Client’s Data, as well as any documentation covered by confidentiality obligations, documentation on Intellectual Property Rights that are in the Supplier’s possession at that time, and provide the Client with the complete documentation of the Products and/or Services supplied.

16. FORCE MAJEURE

- 16.1. Neither Party shall be liable for any delay or failure to perform its obligations under the Contract if the delay or failure is due to an event of “Force Majeure”. Force Majeure shall mean any event which was not foreseeable by the affected Party at the time of performance of the Contract, and which is extraordinary and unavoidable and beyond the affected Party’s reasonable control, as long as such Party cannot overcome such event despite all reasonable efforts and has sent written notice to the other Party within ten (10) calendar days from the occurrence of the Force Majeure event. The Parties shall meet within the next ten (10) calendar days to discuss how to proceed with the performance of the Contract.
- 16.2. If the Parties do not agree on how to proceed with the performance of the Contract within the next ten (10) calendar days and the Force Majeure event continues, either Party may withdraw from the Contract with immediate effect by written notice, without liability. Each Party shall use reasonable efforts to minimise the effects of a Force Majeure Event.

17. ASSIGNMENT AND SUBCONTRACTING

- 17.1. The Supplier may not assign, novate, transfer, encumber or subcontract the Contract or any part thereof (including any receivables’ claims against the Client) without the prior written consent of the Client. In any event, the Supplier remains liable for the performance of the Contract.

18. WAIVERS

Failure to enforce or exercise the right to any provision of the Contract shall not constitute a waiver of such provision and shall not affect the right to enforce such provision or any other provision contained herein.

19. GOVERNING LAW AND DISPUTE RESOLUTION

- 19.1. The Contract is regulated by the laws of Italy, regardless of the conflict of law rules of that country.
- 19.2. Where the Client and the Supplier have their registered offices in the same country, any dispute arising from or connected with the Contract, its performance and/or interpretation that cannot be settled amicably shall fall under the exclusive jurisdiction of the courts of the place where the Client has its registered office.
- 19.3. Where the Client and the Supplier have registered offices in different countries, any dispute arising from or connected with the Contract that cannot be settled amicably shall be settled by arbitration in accordance with the Rules of the Milan Chamber of Arbitration, by a sole arbitrator appointed in accordance with the aforementioned Rules. The language of arbitration shall be English.

20. SURVIVAL

- 20.1. The obligations set out in Clauses 3 (Supplier’s Liability), 4 (Quality Control and Product Liability), 10 (Warranty and Remedies), 11 (Intellectual Property Rights), 13 (Confidentiality, Security and Data Protection) and 14 (Liability and Indemnity) shall remain in force for an indefinite period of time, without prejudice to statutory requirements and forfeitures, and shall survive termination or cancellation of the Contract.

21. WHOLE CONTRACT

- 21.1. The Contract constitutes the entire agreement between the Parties and supersedes all prior understandings, agreements and contracts between the Parties relating to its subject matter.
- 21.2. In the event of contradiction between the different documents constituting the Contract, the following order of precedence shall apply:
- 21.2.1 the Order
- 21.2.2 any Contract prepared by the Client (to the extent that specific exceptions to the GPC are explicitly identified in that Contract);
- 21.2.3 these GPC;
- Any terms and conditions stated or referred to in any other document shall not apply and shall not form part of any Contract.

22. RELATIONS BETWEEN THE PARTIES

- 22.1. The relationship between the Parties shall be that of independent parties dealing at arm’s length and nothing in the Contract shall be construed as creating an agency or employment relationship of the Client. The Supplier is not authorised to represent or act on behalf of the Client.