

## **GENERAL TERMS AND CONDITIONS OF SALES – ZTP S.R.L.**

### **1. SCOPE**

- 1.1. These General Terms and Conditions (the “**GTC**”) shall apply to all agreements pertaining to the sale of Goods and Services from ZTP S.R.L. (the “**Supplier**”) to any customer (the “**Buyer**”).
- 1.2. Unless otherwise agreed in writing between the Parties, any terms and conditions originating from Buyer are hereby expressly waived and shall not form part of any Purchase Agreement.

### **2. DEFINITIONS**

In these GTC, the following terms shall have the meanings set forth below.

“**Affiliate**” shall mean any company controlling, controlled by or under joint control with Supplier or Buyer, directly or indirectly; the term “control” meaning the economic ownership of at least fifty per cent (50%) of the voting rights or capital of the company concerned, or the power to direct the management and business policy of the company concerned.

“**Goods**” shall mean any products, components, parts and related accessories supplied by Supplier to Buyer under the Purchase Agreement.

“**Services**” shall mean any ancillary services in relation to the Goods that Supplier may provide to Buyer, as specified in the Purchase Agreement.

“**Software**” shall mean any software embedded in or supplied by Supplier to Buyer together with the Goods.

“**Purchase Agreement**” shall mean any agreement between Supplier and Buyer for the supply of Goods and Services, which shall be formed by the documents specified in Sections 3.3 and 3.4.

“**Separate Agreement**” shall mean a separate written agreement entered into between Buyer and Supplier for the sale of Goods and Services.

“**Purchase Order**” shall mean a written document in paper or electronic form, issued by Buyer towards Supplier for the purchase of Goods and Services.

“**Order Confirmation**” shall mean a written document in paper or electronic form, containing Supplier’s acceptance of a Purchase Order issued by Buyer.

“**Forecast**” shall mean a projection of Buyer’s expected demand for the Goods, communicated from Buyer to Supplier.

“**Party**” or “**Parties**” shall mean, separately or together, Buyer and Supplier.

“**Confidential Information**” shall mean all information disclosed or provided by one Party to the other in relation to and/or in the framework of the Purchase Agreement, including the Technical Specifications, the documentation, trade secrets, know-how and internal documents relating to the affairs of the disclosing Party, and/or of its Affiliates. Notwithstanding the foregoing, Confidential Information does not include information that (i) becomes public independently of a breach committed by the receiving Party; (ii) is developed independently by the receiving Party; (iii) is known by the receiving Party before the other Party discloses it; (iv) is legitimately received by a third-party not subject to an obligation of confidentiality; or (v) is required to be disclosed pursuant to the law or upon a final, enforceable order by a court or a competent authority (in which case it must only be disclosed to the extent required and after notifying in writing the Party to which it belongs).

“**Technical Specifications**” shall mean all drawings, measurements, technical data, technical descriptions, and technical requirements relating to the Goods and the Software, as provided or approved by Buyer.

“**Intellectual Property Rights**” shall mean all intellectual and industrial property rights, whether registered or unregistered, including patents, patent applications, utility models, copyrights, mask works, trade secrets, know-how, technical information, software rights, database rights, design rights, trademarks, trade names, service marks, domain names, and any applications, renewals, extensions or registrations thereof, as well as all rights to sue for past, present or future infringement.

### **3. FORMATION OF THE PURCHASE AGREEMENT AND CONTRACTUAL DOCUMENTS**

- 3.1. A Purchase Agreement is concluded between Buyer and Supplier when Buyer issues a Purchase Order to Supplier and Supplier accepts such Purchase Order by means of an Order Confirmation.
- 3.2. These GTC shall constitute an integral and substantial part of any Purchase Agreement.
- 3.3. Each Purchase Agreement includes, to the extent that they are issued, the following documents:

- Order Confirmation;
  - Purchase Order and Forecasts;
  - Any other written document expressly agreed between the Parties and expressly referenced in the Purchase Order, Order Confirmation or any Separate Agreement, including but not limited to quotations, Technical Specifications, pricing, lead times and other commercial terms;
  - Separate Agreement;
  - These GTC.
- 3.4. Each Purchase Agreement shall in any event consist, at a minimum, of a Purchase Order and an Order Confirmation. For the avoidance of doubt, even where the Parties have entered into a Separate Agreement, no Purchase Agreement shall be deemed to exist unless a Purchase Order is subsequently issued by Buyer and accepted by Supplier by means of an Order Confirmation.
- 3.5. In the event of any conflict or inconsistency among the contractual documents forming part of a Purchase Agreement, the documents shall prevail one over the other in the order in which they are listed under Section 3.3. For the avoidance of doubt, no terms and conditions included, referenced, incorporated by link, attached, or otherwise recalled by Buyer in the Purchase Order or in any related document (including Buyer's general terms and conditions, purchasing policies, procurement portal terms, or any conditions differing from or additional to these GTC or to any terms expressly agreed in writing between the Parties) shall apply. Any such Buyer terms and conditions shall be deemed null and void and shall not bind Supplier unless Supplier has expressly accepted them in writing. No conduct of Supplier, including but not limited to commencing performance, delivering Goods, or accepting payments, shall be construed as acceptance of any such Buyer terms or conditions.
- 4. PURCHASE ORDERS, ACCEPTANCE, CHANGES MANAGEMENT**
- 4.1. All Purchase Orders are subject to acceptance by Supplier by means of an Order Confirmation. For the avoidance of doubt, no Purchase Order shall be deemed binding upon Supplier until a corresponding Order Confirmation has been duly issued.
- 4.2. Purchase Orders must include Supplier's part number corresponding to the Goods and to the agreed Technical Specifications, any agreed Services, the agreed price, the

agreed delivery terms and the desired delivery date. Buyer assumes full responsibility for any inaccurate, incomplete, or faulty data provided to Supplier for the purpose of fulfilling Purchase Orders.

- 4.3. Once the Order Confirmation has been issued by Supplier, thereby originating a Purchase Agreement, any change to a Purchase Order shall result in a change to the Purchase Agreement and shall be subject to Supplier's prior written consent before taking effect. For any such change to become effective, the Parties shall first reach an agreement on any resulting additional costs, adjustments to delivery dates, or other impacted commercial conditions. Following such agreement, Buyer shall issue a new Purchase Order and Supplier shall issue a corresponding new Order Confirmation, without which no change shall be deemed accepted or binding upon Supplier.
- 4.4. For the sake of clarity, any change or modification to the Technical Specifications requested by Buyer shall be agreed upon in writing and shall result in a change to the corresponding Purchase Agreement pursuant to the above Sections.

**5. FORECASTS, FROZEN PERIODS**

- 5.1. Except as otherwise agreed in writing by the Parties, Buyer shall provide Supplier with a monthly rolling Forecast indicating the estimated ordering requirements for the following twelve (12) months period.
- 5.2. Supplier acknowledges that the Forecast does not constitute a firm Purchase Order for the full volume indicated therein, but rather a projection of the future Purchase Orders expected to be issued within the subsequent twelve (12) months. Buyer shall retain a certain degree of flexibility with respect to the Forecast; however, since Supplier is expected to maintain production capacity to meet the full forecasted volumes, Buyer's flexibility shall gradually decrease as the relevant delivery dates approach.
- 5.3. Accordingly, the volumes indicated in the Forecast shall become binding on Buyer twelve (12) weeks prior to the relevant delivery date (the "**Frozen Period**"). For the sake of clarity, any changes to the Forecast within the Frozen Period shall not allow Buyer to reduce its purchase commitment, and Buyer shall be obliged to issue Purchase Orders in line with the originally forecasted volumes for such Frozen Period.
- 5.4. In the event of any increase in Buyer's demand of Goods beyond the volumes indicated in the Forecast, Supplier shall use

its best commercial efforts to accommodate such additional requirements. Any eventual additional costs incurred by Supplier as a result of such increased demand - including, without limitation, costs for expedited procurement of raw materials or components, overtime labor, extra production capacity, or accelerated or special transportation - shall be borne exclusively by Buyer. Supplier shall not be liable for any delay caused by such increased demand, and any resulting adjustment of delivery dates shall not constitute a breach of the Purchase Agreement.

## **6. DELIVERY TERM, TRANSFER OF TITLE**

- 6.1. Delivery shall be performed in accordance with the delivery term specified in each applicable Purchase Agreement. Any agreed delivery term shall be construed in accordance with Incoterms® 2020.
- 6.2. If no different delivery term has been specifically agreed upon in the Purchase Agreement, delivery shall be Free Carrier (FCA) at Supplier's factory, Paviglio (RE), Italy, as per Incoterms® 2020.
- 6.3. Unless otherwise specifically agreed upon in the Purchase Agreement, transfer of title to the Goods shall take place upon delivery Free Carrier (FCA) at Supplier's factory.
- 6.4. Buyer hereby authorizes Supplier to fill in, on Buyer's behalf and solely for administrative purposes, the CMR or any other customary transport document, in line with international commercial practice. Such activity shall not modify the agreed delivery term, shall not affect the allocation of risks and costs under the applicable Incoterm, and shall not imply that Supplier assumes any obligation or liability relating to the carriage beyond delivery in accordance with the agreed Incoterms® 2020.

## **7. SUBCONTRACTORS**

Supplier reserves the right to subcontract all or part of the manufacturing activities and any other activity relating to the Goods to any of its Affiliates or to third parties, without requiring Buyer's prior approval. Supplier shall, however, remain solely and fully responsible towards Buyer for the performance of the obligations set forth under the Purchase Agreement.

## **8. DELIVERY DATE, DELAY**

- 8.1. Supplier will use its best efforts to deliver the Goods within the delivery date indicated in the Order Confirmation (the "**Delivery Date**").

Delivery dates are indicative and non-binding for Supplier, unless expressly stated otherwise.

- 8.2. If Supplier anticipates that delivery of the Goods cannot be made by the Delivery Date, Supplier shall promptly notify Buyer thereof in writing, indicating the cause of the delay and, where possible, the expected new delivery date (the "**New Delivery Date**").
- 8.3. A delay shall not constitute a breach of contract unless Supplier fails to deliver within a grace period of fifteen (15) working days after the Delivery Date or, where communicated to Buyer, after the New Delivery Date (the "**Grace Period**").
- 8.4. If the Goods are not delivered within the Grace Period, Buyer shall be entitled to liquidated damages at a rate of zero point five percent (0,5%) of the Price of the Goods included in the delayed delivery for each commenced week of delay after the Grace Period. In any case, the liquidated damages shall not exceed five percent (5%) of the Price of the Goods included in the delayed delivery. The above liquidated damages shall become due by Supplier only after delivery of the Goods to Buyer or after termination by Buyer according to Section 8.6.
- 8.5. Except for the liquidated damages provided in Section 8.4, Supplier shall not be liable for any damages, penalties, losses, or costs arising from or related to delivery delays.
- 8.6. After the expiry of the Grace Period, Buyer may request in writing to Supplier to deliver the Goods within a final deadline, which shall be no shorter than two (2) weeks. If Supplier fails to deliver within such final deadline, and provided the delay is not attributable to Buyer or to a Force Majeure Event (as defined under Section 12), Buyer may terminate the Purchase Agreement in respect of the delayed Goods by written notice to Supplier.
- 8.7. The remedies set out in this Section 8 constitute Buyer's exclusive remedies in the event of delivery delays caused by Supplier. For the avoidance of doubt, in no event shall Buyer be entitled to withhold, suspend, or delay any payments due to Supplier as a result of any delay in delivery.
- 8.8. The Delivery Date shall be binding on Buyer. Buyer shall be obliged to duly collect the Goods on the Delivery Date or, where applicable, on the New Delivery Date. In case Buyer fails to collect the Goods on the agreed delivery date, Buyer shall pay to Supplier a penalty equal to five percent (5%) of the Price of the Goods not collected for each commenced week of delay in collection, without prejudice to Supplier's right to claim any additional damages incurred. Any costs

for storage, handling, insurance, or other expenses arising from Buyer's delayed collection shall be borne exclusively by Buyer.

## **9. PRICE AND PAYMENT**

- 9.1. Unless otherwise expressly agreed by the Parties in the Purchase Agreement, Buyer shall pay all invoices within thirty (30) days from the date of the invoice (the "**Due Date**").
- 9.2. If Buyer fails to pay any amount by the Due Date, Supplier shall be entitled to charge interest on the overdue amount from (and including) the Due Date until actual payment. The applicable interest rate shall be eight (8) base points above the European Central Bank base rate, or the maximum rate permitted by applicable law, whichever is lower.
- 9.3. In the event of late payment, or if Buyer fails to provide any agreed security by the Due Date, Supplier may, without prejudice to any other right it may be entitled to pursuant to other parts of the Purchase Agreement or applicable law, suspend performance of the Purchase Agreement - including withholding further deliveries - until the overdue payment has been received or the agreed security has been provided.
- 9.4. Without prejudice to Sections 9.2 and 9.3, if Buyer fails to pay any amount at the Due Date or fails to provide any agreed security, Supplier shall have the right to terminate the Purchase Agreement with immediate effect by written notice to Buyer pursuant to Article 1456 of the Italian Civil Code.
- 9.5. The price applicable to the Goods and Services is the one indicated in the relevant Order Confirmation (the "**Price**"). Price does not include any sales, use, property, import, export taxes, customs duties, or other taxes, levies or charges imposed by any governmental authority. Any such taxes, duties, levies or charges shall be added on top of the Price and shall be borne exclusively by Buyer.
- 9.6. Unless otherwise agreed in the Purchase Agreement, Supplier shall be entitled to adjust Price once per each calendar year. Any price adjustment shall take effect three (3) months after Supplier has notified Buyer in writing of the revised Price.
- 9.7. Without prejudice to the above, Supplier reserves the right to adjust the Price at any time in the event of material changes in the rates of exchange, or material increases in the costs of raw materials, transport, energy, labour, sub-suppliers' prices, customs duties or tariffs, or any governmental measures, or

any other circumstances beyond Supplier's reasonable control. In such cases, Supplier shall provide non-confidential and reasonable summary evidence of such changes, and the price adjustment shall take effect upon written notice to Buyer.

## **10. LIABILITY FOR DEFECTS AND WARRANTY PERIOD**

- 10.1. The Goods shall conform to the Order Confirmation and to the Technical Specifications required by Buyer and agreed under the Purchase Agreement. Pursuant to this Section, Supplier shall remedy any defect or non-conformity of the Goods resulting from materials or workmanship, as well as any defect in the Software consisting of a reproducible malfunction that causes the Software or the Goods to materially fail to comply with the agreed Technical Specifications, excluding in any event any issue arising from integration, configuration, operating environment, interaction with third-party systems, or any use not expressly authorized by Supplier (jointly or separately, the "**Defects**").
- 10.2. Supplier shall not be liable for any defect to the extent that such defect arises from any design, materials, specifications or production methods provided, stipulated or required by Buyer, it being understood that Supplier shall have no obligation to verify the suitability for Buyer or correctness of any such design, materials, specifications or production methods.
- 10.3. Supplier shall not be liable for any defects caused by events occurring after the risk has passed to Buyer, including but not limited to the integration of the Goods or Software into other products or systems, improper installation, maintenance or repair, or any modification carried out by Buyer or any third party without Supplier's prior written consent. Except as otherwise expressly agreed in writing, Buyer is the system integrator and shall be solely responsible for the integration of the Goods and Software into its products or systems. Therefore, no liability whatsoever related to such integration and to any system-level performance, interoperability, compatibility or overall functioning of Buyer's products or systems shall be attributed to Supplier.
- 10.4. Supplier's liability for Defects shall be limited to those appearing within eighteen (18) months from the date of manufacture of the Goods or twelve (12) months from the date of delivery of the Goods to Buyer, whichever comes later (the "**Warranty Period**").
- 10.5. Buyer shall inspect the Goods immediately upon receipt. Buyer shall notify Supplier in

writing of any Defect without undue delay and no later than eight (8) days from the date on which the Defect was discovered. Such notice shall describe the Defect or non-conformity in reasonable detail. In any event, no notice of Defect may be given later than the expiry of the Warranty Period.

- 10.6. If Buyer fails to notify Supplier in writing of a Defect within the time limits specified in Section 10.5, Buyer shall forfeit all rights to have the Defects remedied and any other rights in relation to the defective Goods.
- 10.7. Upon request by Supplier, Goods claimed to be defective shall be returned to Supplier with a Return Material Authorization ("RMA") requested by Buyer and issued by Supplier, along with a written, detailed specification and description of the alleged Defect. The transportation costs and any applicable custom duties for returning allegedly defective goods shall be borne by Buyer.
- 10.8. If the Goods or the Software are found to be defective after their return and inspection by Supplier, Supplier shall, at its sole discretion, remedy the Defects either by (i) repairing the defective Goods, (ii) replacing the defective Goods, or (iii) issuing a credit note for the value of the defective Goods.
- 10.9. Supplier shall be liable only for Defects appearing under the conditions of operation, installation, maintenance and proper use expressly provided or authorized by Supplier. It is understood that Supplier shall not be liable for normal wear and tear or for any deterioration resulting from misuse, improper handling, improper storage, or failure to comply with Supplier's instructions.
- 10.10. The remedies set forth in this Section 10 shall be Buyer's sole and exclusive remedies, and Supplier's sole liability, for any Defect or non-conformity of the Goods. Buyer shall not be entitled to any other remedy, whether in contract, tort, strict liability or otherwise, including without limitation any claim for field service costs, removal or reinstallation costs, labour, travel expenses, downtime, loss of profit, or any other direct, indirect or consequential damages. In any event, Supplier shall not be liable for any costs or damages exceeding the liability limitation set forth under Section 14.
- 10.11. Any recall, market withdrawal, field action or corrective action (collectively, a "Recall") decided, requested or required by Buyer, any authority or any third party shall be under the sole responsibility and at the sole cost of Buyer. Supplier shall have no liability for any costs, expenses or damages arising out of or in connection with any Recall, including without limitation any costs of communication, logistics, field service,

removal, reinstallation, labour, transportation, customer compensation, loss of business or any other direct, indirect or consequential losses. Supplier's obligations in connection with any Recall shall be strictly limited to the remedies set forth in this Section 10, subject in all cases to the exclusions and limitations set forth in this Section 10 and in Section 14. No additional warranties, undertakings or liabilities shall arise for Supplier as a consequence of any Recall.

- 10.12. Supplier disclaims all implied warranties, including without limitation the implied warranties of merchantability and fitness for a particular purpose.

## 11. **INTELLECTUAL PROPERTY RIGHTS**

- 11.1. Each Party shall retain full ownership of all Intellectual Property Rights it held prior to entering into the Purchase Agreement (the "**Background Rights**"). No transfer or license of Background Rights is included in the Purchase Agreement unless expressly agreed in writing.
- 11.2. Buyer shall not reverse engineer, disassemble, decompile or otherwise attempt to access or derive the underlying structure, ideas, source code or algorithms of any Goods, prototypes, Software or any other tangible or intangible items provided by Supplier under the Purchase Agreement.
- 11.3. Except as expressly agreed in writing between the Parties, (i) all Intellectual Property Rights in or relating to the Goods shall remain the exclusive property of Supplier and (ii) all Intellectual Property Rights in or relating to the Software shall remain exclusively vested in Supplier. Supplier grants Buyer solely a non-exclusive, non-transferable and non-sublicensable license to use the Software exclusively for operating the Goods in which such Software is embedded. Buyer shall not assign, transfer, sublicense, modify, adapt, translate, create derivative works from, distribute, disclose, reverse engineer, decompile, disassemble or otherwise attempt to derive the source code or structure of the Software without Supplier's prior written consent.
- 11.4. Buyer shall, at Supplier's request and at no additional cost to Supplier, (i) execute any assignment, declaration, consent, waiver of moral rights, or other instrument reasonably required to evidence, record, perfect or enforce Supplier's ownership of such Intellectual Property Rights; (ii) procure that its employees, agents, subcontractors or consultants execute such instruments; (iii) provide reasonable assistance, information, documentation and cooperation required for filing, registering, maintaining or defending

- any patent, copyright, trade secret, trademark or other Intellectual Property Rights of Supplier; (iv) refrain from taking any action that may jeopardize, delay or impair Supplier's ownership or enforcement of such Intellectual Property Rights.
- 11.5. Buyer grants to Supplier the right to use any Buyer's Background Rights which are necessary for the manufacture and supply of the Goods and Services by Supplier to Buyer. Supplier shall not use Buyer's Background Rights for supplying goods or services to any third party.
- 11.6. Supplier represents that - to the best of its knowledge - the Goods, when used on a stand-alone basis, do not infringe any third-party Intellectual Property Rights. Notwithstanding the above, Supplier shall have no liability for any alleged or actual infringement of third-party Intellectual Property Rights arising from (i) the combination of the Goods with other products, components, or systems, or (ii) any modifications or integration of the Technical Specifications requested or performed by Buyer, it being understood that Supplier shall have no obligation to verify the non-infringement of third-party rights in relation to such cases.
- 11.7. In the event of any third-party claim alleging that the Goods or Software, when used on a stand-alone basis, infringe Intellectual Property Rights, Supplier's sole and exclusive obligations shall be, at its option: (i) to modify the Goods or Software to become non-infringing; (ii) to replace them with non-infringing equivalents; (iii) to obtain for Buyer the right to continue using them; or (iv) to refund the Price. No other remedies shall apply.
- 12. FORCE MAJEURE**
- 12.1. Supplier shall be entitled to suspend the performance of its obligations under the Purchase Agreement to the extent that such performance is prevented or rendered unreasonably onerous by circumstances beyond its reasonable control, including, without limitation, acts of God, industrial disputes, fire, war, extensive military mobilisation, insurrection, requisition, seizure, embargo, epidemics or pandemics, restrictions in the use of power, objective and documented supply-chain disruptions causing global difficulties in securing raw materials, components or workforce, or delays in deliveries by sub-suppliers caused by any such circumstance (a "Force Majeure Event").
- 12.2. Supplier, when claiming to be affected by a Force Majeure Event, shall notify Buyer in writing without delay of both the commencement and the cessation of the relevant circumstance.
- 13. CONFIDENTIALITY**
- 13.1. Each Party undertakes (i) to ensure the confidentiality of the other Party's Confidential Information; (ii) not to disclose the other Party's Confidential Information to a third-party, other than its employees, agents or subcontractors that need to know the information in order to exercise the rights and fulfil the respective contractual obligations of the Parties; and (iii) only to use the other Party's Confidential Information to exercise their rights and fulfil their respective contractual obligations.
- 13.2. The Parties acknowledge that the Confidential Information is disclosed "as is", without any representation or warranty, express or implied, as to its accuracy, completeness, or suitability for any particular purpose. The disclosing Party shall not be liable for any use of such Confidential Information by the receiving Party, its Affiliates, employees, agents or subcontractors, nor for any errors or omissions contained therein.
- 13.3. The Parties' obligations regarding the Confidential Information shall remain in force for the entire duration of the Purchase Agreement and for two (2) years after its termination.
- 13.4. Each Party also undertakes to ensure that these provisions are complied with by its personnel and by any third-party that might intervene in any way whatsoever in the exercise of its rights and performance of its contractual obligations.
- 13.5. Notwithstanding the foregoing, unless expressly prohibited in writing by Buyer, Supplier reserves the right to mention Buyer's name as a reference and to mention the nature of the Goods supplied for promotional purposes.
- 13.6. Buyer acknowledges and agrees that Supplier may disclose Confidential Information to its Affiliates, and to the personnel, agents or subcontractors of such Affiliates, whenever reasonably required for the performance or administration of the Purchase Agreement, provided that such recipients are bound by confidentiality obligations substantially equivalent to those set out in this Section 13.
- 13.7. Upon written request from the other Party following termination or expiration of the

Purchase Agreement, each Party shall, at its own cost, return or immediately destroy all Confidential Information of the other Party in its possession, except for copies retained strictly for legal compliance purposes.

#### **14. LIMITATION OF LIABILITY**

- 14.1. Except in cases of intent or gross negligence, Supplier's aggregate liability arising out of or in connection with the Purchase Agreement, whether based on contract, warranty, tort (including negligence), strict liability, product liability or any other legal ground, shall in no event exceed the higher of: (i) EUR 500,000 (five hundred thousand euros), or (ii) ten percent (10%) of the total aggregate amount invoiced by Supplier to Buyer under any Purchase Agreement during the twelve (12) months preceding the event giving rise to the claim. This limitation applies as a single aggregate cap for all claims occurring during each calendar year.
- 14.2. Supplier shall under no circumstances be liable for any indirect, incidental, special or consequential damages or losses, including but not limited to loss of production, loss of profit, loss of use, loss of business, loss of data, or any similar indirect losses, whether arising in contract, tort, strict liability, product liability or otherwise.
- 14.3. In no event shall Supplier be liable for any punitive, exemplary or enhanced damages, including any damages intended to punish or deter, regardless of the legal or equitable theory (contract, tort, strict liability, product liability or otherwise) under which such damages are claimed.
- 14.4. Pursuant to Article 1229 of the Italian Civil Code, the limitations and exclusions set out in this Section shall not exclude or limit liability resulting from Supplier's gross negligence or willful misconduct.

#### **15. TERM AND TERMINATION, PHASE-OUT PLAN**

- 15.1. These GTC shall become effective upon their execution or upon formation of the first Purchase Agreement between Buyer and Supplier and shall continue in full force for an indefinite period of time.
- 15.2. Except as otherwise agreed in writing between the Parties, and without prejudice to any right of early termination arising under any part of the Purchase Agreement, each Party shall have the right to terminate the Purchase Agreement at any time, without stating any grounds, by providing the other Party with twelve (12) months' prior written notice.

- 15.3. In the event that Buyer intends to permanently discontinue the purchase of Goods from Supplier, Buyer shall communicate this in writing to Supplier with a twelve (12) months written notice. If Supplier - based on a Forecast previously provided by Buyer - has purchased raw materials or components, or has manufactured Goods, the Parties shall negotiate in good faith and agree in writing on a phase-out plan aimed at minimizing the impact on Supplier of such discontinuation. If the Parties fail to agree on such phase-out plan, Buyer shall, in any event, be obliged to purchase the raw materials, components or manufactured Goods that Supplier declares it is unable to use otherwise. For the avoidance of doubt, Buyer's obligations to purchase the forecasted Goods under the Frozen Period according to Section 5 shall remain unaffected. The same principle shall apply in case Buyer terminates the Purchase Agreement, or if the Purchase Agreement is amended by the Parties pursuant to Section 4 and this results in a reduction of volumes.
- 15.4. Supplier is entitled to terminate the Purchase Agreement with immediate effect and without any liability for compensation due to such termination if: (a) Buyer enters into composition proceedings, is declared bankrupt, goes into liquidation; or (b) Buyer is acquired by a competitor of Supplier.
- 15.5. Any termination of the Purchase Agreement does not affect any rights or liabilities which have accrued prior to termination.

#### **16. COMPLIANCE**

- 16.1. Buyer acknowledges that Supplier conducts its business in compliance with its own Code of Ethics, Anti-Bribery and Anti-Corruption Policy, Environmental Policy, and labor and workplace safety standards (available at the URL: <https://www.zapigroup.com/code-of-ethics>), which reflect principles of business ethics, transparency, fairness, non-discrimination, respect for human rights, and compliance with applicable laws. Buyer agrees to conduct its business relationship with Supplier in accordance with such principles.
- 16.2. With particular reference to Goods to be sold or imported in California, Supplier's compliance policy in respect to Proposition 65 is available at the following URL: [https://www.zapigroup.com/hubfs/PROP65\\_information%20downstream.pdf](https://www.zapigroup.com/hubfs/PROP65_information%20downstream.pdf).
- 16.3. Buyer undertakes to comply with all applicable laws and regulations relating to anti-bribery and anti-corruption, competition, environmental protection, labor and workplace safety, data protection, export

control, and any other mandatory legal framework relevant to its business activities.

- 16.4. Buyer shall refrain from, and shall implement and maintain adequate internal controls to prevent, any conduct that may constitute a violation of anti-bribery or anti-corruption laws, environmental laws, labor laws, workplace safety regulations, or any other unlawful or unethical practice. Buyer shall ensure that its personnel, agents, subcontractors and any third parties acting on its behalf comply with these obligations.
- 16.5. In the event Buyer breaches any of the obligations set forth in this Section, or is charged with or reasonably suspected of criminal conduct related to its business activity, such breach shall be deemed a material breach of the Purchase Agreement. In such circumstances, Supplier shall be entitled, at its sole discretion, to suspend performance of the Purchase Agreement or to immediately terminate the business relationship with Buyer, without any liability for compensation.

## 17. **DATA PROTECTION**

- 17.1. Each Party acknowledges that the performance of the Purchase Agreement may involve the processing of personal data within the meaning of Regulation (EU) 2016/679 (“**GDPR**”) and any other applicable data protection laws (“**Data Protection Laws**”). The Parties act as independent data controllers, unless otherwise expressly agreed in writing.
- 17.2. Each Party shall process personal data only for purposes connected with the performance, administration and management of the Purchase Agreement and shall ensure that such processing is lawful, fair, transparent and limited to what is strictly necessary.
- 17.3. Each Party shall implement appropriate technical and organizational measures to ensure a level of security appropriate to the risk, in accordance with the applicable provisions of GDPR and/or any other applicable Data Protection Laws. Each Party shall ensure that its personnel, agents and subcontractors who have access to personal data are bound by confidentiality obligations.
- 17.4. Supplier makes available its privacy notice describing the categories of processed data, purposes, legal bases and data subjects’ rights at the following URL: <https://www.zapigroup.com/it/privacy-policy>.
- 17.5. Buyer undertakes to inform its personnel and representatives whose personal data are

shared with Supplier of the contents of such privacy notice.

- 17.6. Each Party shall promptly notify the other without undue delay to [securityincident@zapigroup.com](mailto:securityincident@zapigroup.com) of any suspected or actual personal data breach or other security incident that may materially affect the other Party, and shall provide reasonable cooperation to enable the other Party to comply with its legal obligations.
- 17.7. Each Party shall indemnify and hold the other Party harmless from any claims, damages, liabilities, penalties, costs or expenses arising from its own breach of applicable Data Protection Laws or from any failure to comply with this Section 17.

## 18. **EXPORT CONTROL, SANCTIONS AND TRADE COMPLIANCE**

- 18.1. Each Party shall at all times, and at its own expense, strictly comply with all applicable export control, import control, customs, sanctions, and trade compliance laws and regulations, including, without limitation: (a) Regulation (EU) 2021/821 on dual-use items; (b) the U.S. Export Administration Regulations (EAR); (c) U.S. sanctions administered by the Office of Foreign Assets Control (OFAC); (d) UK Export Control Regulations; and (e) any other laws or regulations of any jurisdiction applicable to the performance of the Purchase Agreement (collectively, the “**Trade Laws**”).
- 18.2. Each Party shall obtain and maintain, at its own cost, all licenses, permits, authorizations, approvals, registrations and qualifications required under the applicable Trade Laws for the performance of its obligations under the Purchase Agreement. Each Party shall ensure that its personnel, agents, subcontractors and Affiliates also comply with such requirements. Each Party shall promptly provide the other Party with any information reasonably required to assess export control classifications, end-use, end-user and ultimate destination of the Goods, Software or technology.
- 18.3. Buyer represents and warrants that it shall not, directly or indirectly: (i) export, re-export, transfer, sell, supply, disclose or otherwise make available any Goods, Software or technical information received from Supplier in violation of any applicable Trade Laws, including but not limited to any restrictions under the EU Dual-Use Regulation, the EAR, OFAC sanctions, UK or UN sanctions regimes; (ii) use the Goods or Software for any prohibited or restricted end-use, including military end-use where restricted, or any end-use prohibited under applicable Trade Laws; (iii) resell, transfer or make the

Goods or Software available to any person, entity or country that is subject to sanctions, restrictions or embargoes issued by the European Union, the United States, the United Kingdom, the United Nations or any other competent authority.

- 18.4. Buyer shall not, directly or indirectly, export, re-export, transfer, sell or make available any Goods, Software or technology to Russia, Belarus, any territory subject to comprehensive sanctions, or any person or entity designated under EU, U.S. (including OFAC SDN List), UK, UN or other applicable sanctions lists. The Buyer shall indemnify and hold harmless the Supplier for any breach of this obligation and for any damages, penalties, fines or losses arising from non-compliance with Trade Laws.
- 18.5. Supplier may suspend or cancel any delivery, supply, performance or contractual obligation if it reasonably believes that such performance may violate any Trade Laws. Supplier shall not be liable for any damages, losses, costs or claims arising out of such suspension or cancellation.

**19. NO-RUSSIA AND NO-BELARUS COMPLIANCE**

- 19.1. Supplier and Buyer undertake to comply with the rules on EU sanctions against the Russian Federation and Belarus. The obligation to observe the restrictive measures provided by the European Commission's last sanctions packages - updating EU Reg. No. 833/2014 and EU Reg. No. 765/2006 and containing further tightening of restrictive measures against Russia and Belarus due to the war with Ukraine - is an essential condition of the Purchase Agreement.
- 19.2. Buyer shall not sell, supply, transfer, export or re-export, directly or indirectly, to the Russian Federation and Belarus or for use in the Russian Federation and Belarus any Goods and Services that fall within the scope of EU Reg. 833/2014, primarily article 12 g, and which are supplied in connection with the Purchase Agreement.
- 19.3. Buyer shall do all in its possibilities to ensure that the application of the provisions in this Section is not undermined by third parties, including any resellers.
- 19.4. Buyer undertakes to sell any Goods or Services to customers who undertake not to export or re-export them to the Russian Federation or Belarus or for use in the Russian Federation and Belarus.
- 19.5. Buyer shall establish and maintain an adequate monitoring mechanism to identify

behavior by third parties in the whole supply chain, including any resellers, which would render the provisions of this Section inapplicable.

- 19.6. Buyer shall immediately inform Supplier of any problems in the application of the paragraphs of this Section, including any relevant activities by third parties that would make such provisions inapplicable.
- 19.7. Buyer is required to return any declaration of commitment relating to the obligations set out in this Section, duly signed and dated by its legal representative, within fifteen (15) days from any request made by Supplier.
- 19.8. Any violation of the above paragraphs is considered a substantial violation of an essential element of the Purchase Agreement and Supplier has the right to use any remedies, including, but not limited to: immediate interruption of supplies without grace period; termination of the Purchase Agreement without any liability and charging of a penalty (pursuant to Article 1382 of the Italian Civil Code) equal to any sanctions imposed on Supplier in violation of EU Regulation no. 833/2014 and subsequent amendments, without prejudice to Supplier's right to claim further damages.

**20. MISCELLANEOUS**

- 20.1. If any provision of these GTC or of any Purchase Agreement is held to be invalid, illegal or unenforceable, in whole or in part, such invalidity, illegality or unenforceability shall not affect the validity or enforceability of the remaining provisions. The Parties shall replace any invalid or unenforceable provision with a valid and enforceable one that most closely reflects the original intent and economic purpose of the replaced provision.
- 20.2. The failure or delay by Supplier in exercising any right, remedy or power arising from these GTC or any Purchase Agreement shall not operate as a waiver thereof, nor shall any partial exercise of any such right, remedy or power preclude any further or future exercise of the same or of any other right or remedy.
- 20.3. No modification, amendment, waiver or variation of these GTC shall be valid unless made in writing and signed by duly authorized representatives of both Parties.
- 20.4. Buyer may not assign, transfer, or otherwise dispose of any of its rights or obligations under these GTC or any Purchase Agreement without Supplier's prior written consent. Supplier may assign or transfer the Purchase Agreement, in whole or in part, to any Affiliate upon written notice to Buyer.

- 20.5. The Parties agree that these GTC and any Purchase Agreement may be executed, accepted or otherwise concluded by means of electronic signatures or electronic acceptance processes. Any such electronic execution or acceptance shall be deemed to be the legal equivalent of a handwritten signature and shall be fully binding on the Parties.
- 20.6. Sections relating to Intellectual Property, Confidentiality, Warranty limitations, Limitation of Liability, Compliance, Data Protection, Governing Law and Dispute Resolution, and any other provisions which by their nature are intended to survive termination, shall remain in full force after expiration or termination of the Purchase Agreement.

**21. APPLICABLE LAW AND DISPUTE RESOLUTION**

- 21.1. The validity, interpretation and construction of these GTC and of any Purchase Agreement shall be governed by and construed in accordance with the laws of Italy, without regard to its conflict of laws principles. The Parties expressly agree that the United Nations Convention on Contracts for the International Sales of Goods (CISG) shall not apply.
- 21.2. Any dispute, controversy or claim arising out of or in connection with these GTC or any Purchase Agreement, including any question regarding their breach, termination or invalidity, shall be finally settled by arbitration administered by the Camera Arbitrale di Milano ("CAM") in accordance with the CAM Rules in force at the time the arbitration is commenced. The court of arbitration shall be composed by three members according to the above rules. The seat of arbitration shall be Milan, Italy. The language of the arbitral proceedings shall be English, unless Buyer is an Italian company. In such case, the language shall be Italian. The costs of the arbitration, including reasonable attorneys' fees, shall be borne by the losing party unless otherwise decided by the arbitral tribunal.