

GENERAL CONDITIONS OF PURCHASE FOR FLODRAULIC INDUSTRIAL S.R.L.

1. DEFINITIONS

For the purposes of these General Conditions of Purchase (the "General Conditions"), the following terms shall have the meaning specified herein:

"FLODRAULIC INDUSTRIAL" – FLODRAULIC INDUSTRIAL S.R.L., with Sole Shareholder, having Registered Office in Granarolo dell'Emilia (BO) – 40057 Frazione Cadriano at Via Don Giovanni Minzoni 28-30-321sqx, with Tax Code 03053760371 and VAT Number 00592061204 plus certified email flodraulic.ind@legalmail.it (hereinafter, "FLODRAULIC INDUSTRIAL");

"Supplier" – a legal entity that, for its own business or professional purposes, provides Products and/or Services to FLODRAULIC INDUSTRIAL;

"Parties" – FLODRAULIC INDUSTRIAL and the Provider indicated jointly;

"Offer Request" – the request for a Commercial Offer for the Products and/or Services sent by FLODRAULIC INDUSTRIAL and addressed to the Supplier;

"Offer" – the best commercial offer in relation to the supply of Products and/or Services, transmitted by the Supplier to FLODRAULIC INDUSTRIAL, in response to the Offer Request sent by the latter;

"Order" – Purchase Order for the Products and/or Services issued by FLODRAULIC INDUSTRIAL and addressed to the Supplier;

"Order Confirmation" – Written confirmation of the Order issued by the Supplier and addressed to FLODRAULIC INDUSTRIAL;

"Contract" – a written agreement entered into on each occasion between the Parties concerning the purchase of Products and/or Services by FLODRAULIC INDUSTRIAL, constituted and concluded alternatively: (i) with acceptance by means of an Order Confirmation for an Order by the Supplier pursuant to Article 3.4; or (ii) with the issuance of an Order following an Offer by the Supplier pursuant to Article 3.5;

"Products" – tangible or intangible assets sold by the Supplier to FLODRAULIC INDUSTRIAL by virtue of the provisions of the Orders, Contracts and Technical-Qualitative Specifications;

"Services" – work and/or intellectual services provided by the Supplier to FLODRAULIC INDUSTRIAL by virtue of the provisions of the Orders and Contracts and the Technical-Qualitative Specifications;

Technical-Qualitative Specifications – the characteristics and technical, functional or quality specifications relating to the Products and/or methods of realisation of the Services established in the Offer Request and/or in the Order and/or in any other document sent by FLODRAULIC INDUSTRIAL to the Supplier, containing by way of mere example manufacturing objectives, production parameters, drawings, models, samples, prototypes, photographs and quality standards required on each occasion by FLODRAULIC INDUSTRIAL, with which the Supplier must comply.

2. FIELD OF APPLICATION

2.1 These General Conditions govern and constitute an integral and essential part, even in the absence of an express reference or postponement of any Offer Request, of any Order and any Contract concerning the purchase of Products and/or Services whose manufacture, processing and/or supply is in any case commissioned by FLODRAULIC INDUSTRIAL to the Supplier.

2.2 Unless otherwise agreed upon in writing between the Parties, the General Conditions prevail over any previous oral or written agreement between them having the same subject matter.

2.3 The General Conditions in any case apply and prevail over any General Conditions of Sale of the Supplier, even if cited in documentation or communications between the Parties or referred to in the Offer, unless the relevant exception is expressed and is accepted in writing by FLODRAULIC INDUSTRIAL.

2.4 These General Conditions may not be modified, derogated or not applied, whereby

effectuated in writing by FLODRAULIC INDUSTRIAL, with the consequence that any initiative or request in this regard by the Supplier – whether expressed or even tacit – by sending FLODRAULIC INDUSTRIAL documentation (for example, offers, invoices, transport documents, etc.) with content in whole or in part modifying, conflicting with and/or diverging from the provisions of these General Conditions shall not be in any way valid, binding or effective nor will the Contract be considered as entered into as requested by the Supplier, even if execution is started.

3. ORDERS CONTRACT CONCLUSION

3.1 In order to evaluate the possible signing of a Contract, FLODRAULIC INDUSTRIAL previously requests the potential Supplier to formulate its best Commercial Offer with the main technical characteristics of the Products and/or Services indicated by FLODRAULIC INDUSTRIAL, the relative economic conditions and the timing for any execution. The submission of the Supplier's Offer, however named, does not represent nor become valid as a contractual proposal to FLODRAULIC INDUSTRIAL and any statements in this regard will be understood as not put in place or in any case ineffective and not binding against it.

3.2 For the conclusion of the Contract, it is necessary for FLODRAULIC INDUSTRIAL to send the Supplier its own Order which, together with the provisions of these General Conditions, even without express reference thereto, constitutes the one and only valid and effective contractual proposal between the Parties, pursuant to and for the purposes of Article 1326 of the Italian Civil Code, not having for this purpose the contractual value of the Supplier's Commercial Offer referred to in 3.1 above.

3.3 Orders must be issued in writing and must contain details of at least the following:

- Products and/or Services covered by the individual Order;
- Quantity, characteristics and delivery terms of the Products and/or Services;
- Prices, methods and terms of payment;

- Any special conditions of purchase;
- Technical-Qualitative Specifications.

3.4 The Contract is entered into only when FLODRAULIC INDUSTRIAL receives the written acceptance of the Supplier via an Order Confirmation, no later than the term of 5 (five) days from the date of issuance of the FLODRAULIC INDUSTRIAL Order. Confirmation of an Order may be carried out by the Supplier by signing the FLODRAULIC INDUSTRIAL Order for acceptance or, alternatively, by sending a separate Order Confirmation, however named, which has the same contractual content as the Order, in both cases without the possibility of any modifications, additions or reservations with respect to the content of the Order. Any differences or changes included in the Order Confirmation with respect to the information contained in the Order shall not be valid, binding and/or effective nor valid as a contractual counter-proposal, unless specifically approved in writing by FLODRAULIC INDUSTRIAL. Acceptance of the Order is also understood to have taken place if the Supplier, even in the absence of an express Order Confirmation, begins execution of the supply covered by the Order.

3.5 If an Order is issued as a result of the submission of an Offer by the Supplier, it will become immediately binding on the Parties at the time of sending to the Supplier, without the need for further approval of the latter, provided that the Order makes express reference to said Offer.

3.6 In the event that FLODRAULIC INDUSTRIAL does not receive the Order Confirmation within the period of 5 (five) days indicated in Paragraph 3.4 above, it shall consider the Contract automatically not entered into even if it later receives the Order Confirmation, without prejudice to its right to communicate in writing to the Supplier that the Company still wishes to consider its late acceptance valid and therefore validly concluded the Contract.

3.7 FLODRAULIC INDUSTRIAL reserves the right to modify and/or revoke any Order prior to the receipt of the Order Confirmation from the Supplier. FLODRAULIC INDUSTRIAL likewise

reserves the right to make variations to the Order even after receipt of the Order Confirmation, according to and within the limits of that established by law, it being understood that any additional fees due to the Supplier as a direct and immediate consequence of such variations will be paid out only if adequately documented and expressly approved by FLODRAULIC INDUSTRIAL, without prejudice to the right of the latter to reduce the price in the event of variations reducing the Order.

3.8 Upon communication from FLODRAULIC INDUSTRIAL, the entire procedure for issuing, sending and managing the Order and the subsequent Order Confirmation by the Supplier set out in this Article 3 may be validly carried out between the Parties, including via electronic and/or telematic means, through a special web portal made available by FLODRAULIC INDUSTRIAL.

4. EXECUTION - PEREMPTORY TERMS

4.1 The Supplier is required to execute the Contract, including all aspects relating to the packaging, labelling, identification, shipping, transport and delivery of the Products and/or Services, in a professional manner and in strict compliance with the Technical-Qualitative Specifications set out in the Contract, as well as with current legislation, including that on transport.

4.2 The terms and/or dates of execution and/or delivery indicated in the Contract are to be understood as mandatory and unable to be waived by the Supplier, even in the absence of an express provision in the Order and/or Contract, with the Supplier recognising from this point forth that it is a primary need of FLODRAULIC INDUSTRIAL to be able to receive the Products and/or Services according to the schedule established with the Supplier in order to be able to correctly allocate such within its corporate and work structure. Failure to comply with one or more of the aforementioned terms and/or dates will entitle FLODRAULIC INDUSTRIAL to automatically terminate the Contract, pursuant to and for the purposes of Article 1456 of the

Italian Civil Code ("Express Termination Clause"), in accordance with the provisions of the following Article 12.2, with the right to payment of the relative penalties and compensation for any further damages if and as recognised between the Parties or, failing that, ascertained by the judicial authority.

4.3 Reference to a term or date for the Supplier in the Order and/or Contract means and implies that said term or date is to be considered automatically as "fixed", mandatory and essential, with the consequence that the Supplier will not be able to perform the relative service, neither before nor after said term or date.

4.4 Failure to provide in the Order and/or Contract a term or date for execution means and implies that FLODRAULIC INDUSTRIAL will be entitled to immediately demand execution of the service at its simple request.

4.5 In the event of a delay in the delivery of the Products or in the execution of the Services, or in case of incomplete delivery or performance, the Supplier shall send a written communication to FLODRAULIC INDUSTRIAL, which at its sole discretion shall have the right to:

- (i) Apply, for each week of delay or fraction thereof, a penalty equal to 1% of the value of the Products not delivered promptly and/or the Services not performed promptly up to a maximum of 20% of the value of the individual Contracts or Orders concerned;
- (ii) Purchase from third parties, in whole or in part, the Products and/or Services not delivered on time and/or performed, charging the relative cost to the Supplier; and
- (iii) Consider the relevant Order or Contract or the unfulfilled part thereof cancelled, by sending a written communication to the Supplier for such purpose.

4.6 It is understood that the signing of transport documents, delivery notes or similar documents by FLODRAULIC INDUSTRIAL or its delegates shall not imply and cannot be understood as acceptance by FLODRAULIC INDUSTRIAL of the Products and/or Services, even with regard to the relative types and quantities, nor as FLODRAULIC INDUSTRIAL's

waiver of the right to bring about a dispute and, in particular, to assert faults, defects or non-conformity of the Products, even in the absence of express reservation indicated in the aforementioned documents. Likewise, the acceptance of a late execution of an Order and/or a Contract or non-compliant Products/Services will not entail and can never be understood as a waiver by FLODRAULIC INDUSTRIAL of compensation for any damages suffered as a result of the delay nor as a waiver of the other remedies provided for in favour of FLODRAULIC INDUSTRIAL by the General Conditions, individual Contracts, any Orders or by law.

5. SHIPMENT OF THE GOODS - TRANSPORT DOCUMENTS - PACKAGING

5.1 Products purchased from FLODRAULIC INDUSTRIAL shall be delivered in accordance with the DDP term of FLODRAULIC INDUSTRIAL Incoterms 2020 (or the latest version of Incoterms published by the International Chamber of Commerce of Paris), unless waived in writing in the Order or Contract by FLODRAULIC INDUSTRIAL.

5.2 The Supplier must carry out the shipment, transport and delivery of the Products and/or the provision of Services, with relative ancillary or complementary activities, at its own expense and under its own responsibility, unless otherwise indicated in the Contract and, in any case, in such a way and with such precautions so as to prevent any damage, loss or deterioration. In particular, shipments must be made by the most suitable means. The Supplier will be required to use the freight forwarder indicated in the Order or another expressly agreed upon with FLODRAULIC INDUSTRIAL.

5.3 The Supplier shall be liable for damages resulting from incorrect packaging, unsuitable protection or insufficient anchoring of the goods, in accordance with the terms of return established in the Order or Contract.

5.4 The goods must always be accompanied by the transport documents, drawn up in accordance with the provisions of the law, or by an accompanying invoice. In addition to the data

required by law, the transport documents must always indicate the Order details, the specification/identification of the Products, the quantity of the Product contained in the loading unit and/or packaging, the number and production date of the batch, where requested in the Order.

5.5 If the Products are sent directly to their destination, without transit to FLODRAULIC INDUSTRIAL, the Supplier must send FLODRAULIC INDUSTRIAL a copy of the issued transport documents at the time of shipment.

5.6 The Products covered by the Order must be supplied in accordance with the Technical-Qualitative Specifications, complete with all manuals and technical documentation for fitting, assembly, use, operation and maintenance, as well as quality certificates (such as the Declaration of Compliance with Order 2.1. [EN 10204]) and safety, including the Safety Data Sheets for the chemical products at the last revision drawn up in accordance, as well as the Technical Data Sheets for the PPE at the last revision drawn up in accordance with approvals, technical data sheets, toxicological data sheets (REACH & RoHs), and/or classifications of the type of waste required by current legislation or in the Order/Contract. This documentation will form an integral part of the provision.

5.7 If the documentation sent is incomplete and/or does not comply with the Order/Contract or with the regulations, including technical, in force and applicable, the payment of invoices, including for subsequent supplies, may be suspended until the regular receipt of the complete, correct and suitable documentation.

5.8 Before Product delivery, the relevant transport document, completed in its entirety, must be sent in electronic format to the address of the contact person of the FLODRAULIC INDUSTRIAL Purchasing Department and the compliance/quality documentation must be sent in electronic format to the address quality.ind@flodrauliceurope.com

6. RETURNS

6.1 FLODRAULIC INDUSTRIAL reserves the right to reject, at the expense and responsibility of the Supplier, deliveries of Products and/or supplies of Services not in compliance, for any reason or motivation, with the law and/or with the provisions of these General Conditions and/or the Contract, returning to the appointed haulier or carrier that which has arrived, including any instances of missing, incorrect or incomplete data, pieces or documents, or else in the presence of clearly damaged Products. FLODRAULIC INDUSTRIAL's rejection of the Products and/or Services shall entail the non-delivery and/or non-provision by the Supplier for all contractual and legal purposes.

6.2 The Supplier must collect the Products, at its own expense, within 10 (ten) days from the relevant dispute.

7. PRICE INVARIABILITY - PAYMENTS

7.1 The prices indicated in the Orders or established in the Contract, in the currency indicated therein, are to be considered fixed and invariable for their entire duration, even without the need for a specific statement to this end, and including all costs and expenses, none excluded, for the regular execution of the Contract by the Supplier, including packaging and transport, unless otherwise agreed in writing between the Parties.

7.2. Prices may not be subject to changes or revisions of any kind, not even as a result of any changes in the currency exchange or the cost of raw materials, without prejudice to any alternative specific written agreement between the Parties that establishes the terms and conditions.

7.3 FLODRAULIC INDUSTRIAL makes payments exclusively through the banking circuit and in full compliance with the regulations on the traceability of financial flows.

7.4 The right of the Supplier to receive payment of the sum is subject to the regular delivery of the Products and/or Services, together with the transport document and the relative invoice, without prejudice to any other condition

set out in these General Conditions and/or the Contract.

7.5 Each payment will be made in accordance with the conditions and deadlines determined in the Contract, with any different shorter terms indicated by the Supplier in its invoice being void of validity and/or effectiveness.

7.6 Any delays in payments attributable to the fact and fault of FLODRAULIC INDUSTRIAL will entitle the Supplier to the sole payment of default interest on the amount due, to be determined at sum equal to the interest at the legal rate in force on the date of the delayed payment plus two percentage points, with the exclusion of any further/or different calculation or amount identifiable by law and/or compensation for damages.

8. SUPPLIER COMMITMENTS AND GUARANTEES

8.1 The Supplier undertakes and guarantees the following:

(a) To perform the contractual services in a professional manner and with the use of suitably-informed, trained and experienced personnel;

(b) To ensure that the Products comply with the characteristics and Technical-Qualitative Specifications agreed or referred to in the Order/Contract or possessed by the samples or prototypes delivered, are suitable for sale and use, free from constraints and that the materials used are free from defects or flaws, even hidden, and that the work has been carried out in a professional manner. FLODRAULIC INDUSTRIAL has the right to carry out inspections on the Supplier's quality system and/or request a copy of the relative manuals and certifications, where expressly requested by the end customer;

(c) To provide Products and/or Services that are not manufactured, produced and/or marketed in violation of any right due to third parties, including industrial and/or intellectual property rights, such as, by way of example, patents, trademarks, designs and models and/or licenses for the use of proprietary rights, also guaranteeing the freedom and lawfulness of their

use and trade, both in Italy and abroad, assuming all responsibility, charges and expenses as a result of any violations, in particular in the presence of disputes, claims and/or actions by third parties, including the charges and costs of defending FLODRAULIC INDUSTRIAL to defend against any claim, dispute, demand or action announced or brought before any national or foreign authority, with FLODRAULIC INDUSTRIAL's right to be fully relieved of all charges and responsibilities;

(d) To give at least 1 (one) year's written notice to FLODRAULIC INDUSTRIAL, if it decides to or must suspend, interrupt and/or cease for any reason, the production and marketing of goods and/or services covered by a Contract in progress or a Contract already executed and terminated, or in the event of substantial modification of said Products and/or Services, indicating a possible alternative supplier available to provide samples or test services identical to those covered by the Contract, in order to allow FLODRAULIC INDUSTRIAL any evaluation in this regard, without prejudice to the possible responsibility of the Supplier if it is not able to regularly fulfil a Contract already entered into and without prejudice to the provisions of letter d) above;

(e) To do everything necessary to comply with all appropriate professional diligence, with any other commitment, obligation or guarantee provided for in these General Conditions, the Contract and/or applicable legislation, including technical legislation, to guarantee to FLODRAULIC INDUSTRIAL that execution is up to standard.

8.2 Except as otherwise stated in the Orders/Contracts, the goods are covered by the Supplier's warranty for defects in design, manufacture, materials or unsuitability for use for a period of 24 (twenty-four) months from the date of delivery or, in the case of goods subject to functional testing, from the testing.

8.3 In express derogation from Article 1495 of the Italian Civil Code, the defect must be reported by FLODRAULIC INDUSTRIAL within 30 days from the date of delivery for "recognisable defects" or from the date of discovery for "hidden defects". Hidden defects are expressly

considered to be flaws discovered upon unpacking.

8.4 Written complaints of non-conformity shall be deemed accepted by the Supplier if they are not contested within 5 (five) days of receipt.

8.5 Without prejudice to any other right due by law or Contract to FLODRAULIC INDUSTRIAL, the Supplier must repair and/or replace, at its own expense and responsibility, the defective good within a reasonable period at the request of FLODRAULIC INDUSTRIAL. Included in the warranty are the costs for management (fixed opening costs of €150.00 as well as any costs charged by FLODRAULIC INDUSTRIAL Srl customers), labour (also relating to the inspection and/or testing phase of the Products concluded negatively due to faults and defects of non-conformity found, with the application of the following rate: a) productive labour at €40.00/each per hour; b) management by the Quality/Technical/Purchasing Office at €60.00/each per hour), transport and packaging.

8.6 In the absence of prompt intervention by the Supplier, FLODRAULIC INDUSTRIAL will have the right, at its discretion, to:

- a) Accept the goods with a reasonable reduction in price;
- b) Provide for repairs directly or by third parties, with the relative expenses to be borne by the Supplier – in the event of replacements or repairs, the warranty period will run from the date of the same;
- c) Terminate the Contract with immediate effect.

8.7 If during the control phase for acceptance, the goods are rejected for non-compliance (with the Technical-Qualitative Specifications and/or conditions of the Order), FLODRAULIC INDUSTRIAL will always have the right to terminate the relative Order pursuant to the previous Article 8.6(c), requesting the cancellation of the invoice, as applies also in the event of sale by lots.

8.8 The Supplier will be liable for damages caused by product defects and shall take out a suitable and adequate product liability insurance policy at its own expense.

8.9 The Supplier shall be obliged to indemnify and hold harmless FLODRAULIC INDUSTRIAL for any damages, costs or requests, including for recall campaigns or assessments initiated by third parties, deriving from or resulting from/to defects in or unreliability of the goods.

9. QUALITY CONTROL AND WARRANTY - CHECKS AT THE SUPPLIER'S PREMISES - FLODRAULIC INDUSTRIAL GOODS

9.1 FLODRAULIC INDUSTRIAL may require the Supplier to sign specific Warranty and Quality Agreements regarding the Products and/or Services to be provided and, where agreed upon, the Supplier shall be required to execute the Contract also in full compliance with the requirements, the Technical-Qualitative Specifications and the procedures contained in said agreements, which shall form an integral and essential part of the Contract.

9.2 In any case, FLODRAULIC INDUSTRIAL may carry out specific inspections and technical checks at the Supplier's premises to verify whether or not it complies with the provisions of the Warranty and Quality Agreement, and in general with the Contract, and to this end may also avail of the control and testing instruments available at the Supplier's actual premises in compliance with the latter's internal technical and safety procedures. The Supplier undertakes to allow access to the personnel delegated by FLODRAULIC INDUSTRIAL to carry out inspections and audits, upon written notice of the visit by FLODRAULIC INDUSTRIAL and identification of the delegated personnel, who will comply with the workplace health and safety procedures indicated by the Supplier, as well as comply with the regulations and internal company policies that may be communicated by the latter.

9.3 By way of mere example, any information of a technical or commercial nature, including technical-industrial experience, designs and models, projects, trademarks, know-how, moulds, prototypes, equipment, procedures, specifications and technical specifications, samples, software or parts thereof, and in general any tangible and/or intangible asset,

including any industrial and/or intellectual property right, protected or used in fact that FLODRAULIC INDUSTRIAL should provisionally make available to the Supplier for the execution of the Contract (in summary "FLODRAULIC INDUSTRIAL Goods"), is the exclusive property of FLODRAULIC INDUSTRIAL and remains such. The Supplier may use the FLODRAULIC INDUSTRIAL Goods, only and exclusively for the activities for which they are intended and only for the services required by FLODRAULIC INDUSTRIAL, it being absolutely forbidden for the Supplier to use such information and/or proprietary information for other purposes, or disclose it in any way to third parties, in whole or in part, and/or, by way of mere example, to copy, duplicate or decompile it (including reverse engineering in the case of software).

9.4 The Supplier is obliged to keep the FLODRAULIC INDUSTRIAL Goods separated and separately from the goods/products owned by the Supplier and/or third parties. The Supplier also undertakes to use the FLODRAULIC INDUSTRIAL Goods only and exclusively for what is strictly necessary to fulfil the Contract, with a commitment to retain them with the utmost care and diligence, as well as to immediately return the Goods to FLODRAULIC INDUSTRIAL after the time necessary for execution, excluding the possibility of withholding or retaining them for any motivation or reasons, unless otherwise agreed upon in writing between the Parties.

9.5 The Supplier must give written notice to FLODRAULIC INDUSTRIAL, within 1 (one) day of any loss or damage, even partial, and for any reason, of the FLODRAULIC INDUSTRIAL Goods, with this also meaning the hypothesis of possible theft, counterfeiting or unusability. In all the aforementioned cases, the Supplier is required, at the sole discretion of FLODRAULIC INDUSTRIAL, to restore the original condition of the aforementioned FLODRAULIC INDUSTRIAL Goods (such as via repair) or, where not possible, to provide identical goods at its own responsibility and expense in place of those lost or lost or, if unavailable on the market, to fully reimburse FLODRAULIC INDUSTRIAL for their at-new value,

without prejudice to the right to compensation for further damages.

9.6 In the event that it is impossible to return the FLODRAULIC INDUSTRIAL Goods in the same conditions in which they were at the time they were delivered to the Supplier, the latter must pay FLODRAULIC INDUSTRIAL an amount equal to the amount necessary to be able to buy them new in the market of reference, including the expenses and costs to get them to FLODRAULIC INDUSTRIAL's headquarters, without prejudice to the right to compensation for any further damages.

10. TRANSFER OF OWNERSHIP - TRANSFER OF RISK

10.1 The transfer of ownership of the Products takes place only after their regular delivery to FLODRAULIC INDUSTRIAL or to the recipient indicated by the latter. Any retention of reserve clause proposed or included by the Supplier will not have any validity and/or effect between the Parties and will be considered as unwritten.

10.2 The transfer of property/ownership of the Services takes place only at the end of their regular execution and following positive testing by FLODRAULIC INDUSTRIAL or the subject indicated by it.

10.3 The transfer of any responsibility and/or risk regarding the Products and/or Services provided occurs only following the transfer of their ownership to FLODRAULIC INDUSTRIAL or to the person indicated by the latter, in accordance with the provisions of Paragraphs 10.1 and 10.2 above.

10.4 Any changes to the provisions of Paragraphs 10.1 and/or 10.2 above must be agreed upon between the Parties in a clear, express and unambiguous manner, under penalty of invalidity and/or ineffectiveness. Therefore, any wording such as "Ex (place indication)" and/or the use of Incoterms clauses will not be considered sufficient or suitable, which will therefore not have the effect of modifying the provisions of the aforementioned paragraphs, with the Parties understanding them as mere conventional formulas that can only be used for

the distribution of any charges and any shipping, transport, insurance and any customs/documentary costs.

11. MANUFACTURER'S RESPONSIBILITIES - SUSPENSION OF PAYMENTS

11.1 The Supplier assumes full and exclusive responsibility for any breaches, faults and/or defects of the Products and/or Services provided to FLODRAULIC INDUSTRIAL and/or the subject indicated by it as the recipient of the provision and, more generally, of the contractual services to which it is required under the Contract, as well as for any damages that may arise to FLODRAULIC INDUSTRIAL or third parties, including its customers, as a result of or depending on such breaches, faults or defects, including the defectiveness of the Products, agreeing to indemnify and hold it fully harmless from any possible damages, action, dispute, claim and complaint, as well as to intervene directly in any administrative and/or judicial proceedings brought against FLODRAULIC INDUSTRIAL, agreeing, upon simple request, to its dismissal.

11.2 Any unlawful acts, violations or irregularities by the Supplier with respect to legal obligations or requirements, including those of a fiscal and/or currency nature, that may entail payment duties of any kind and of any nature (such as capital, interest, sanctions, penalties, fines, etcetera), including against FLODRAULIC INDUSTRIAL, will be the sole responsibility of the Supplier who must, therefore, fully indemnify and hold harmless FLODRAULIC INDUSTRIAL from any detrimental effect.

11.3 FLODRAULIC INDUSTRIAL reserves the right to suspend payments in the event of pending disputes with the Supplier for its breaches and/or contractual violations, until such disputes are resolved by agreement between the Parties and/or by judicial means.

12. TERMINATION FOR NON-FULFILMENT - EXPRESS TERMINATION CLAUSE - WITHDRAWAL

12.1 Without prejudice to any other hypothesis of interruption, suspension and/or termination of the Contract, if the Supplier is in

breach of one or more of the commitments to which it is bound under the Contract and/or these General Conditions and/or current legislation, FLODRAULIC INDUSTRIAL shall have the right to terminate the Contract, pursuant to and for the effects of Article 1454 of the Italian Civil Code, by sending the Supplier a specific notice to comply with that which remains unfulfilled. After a period of 7 (seven) days from receipt, unless it is necessary to grant a shorter term to avoid or limit the prejudicial effects deriving from the breach, FLODRAULIC INDUSTRIAL will have the right to obtain full compensation for damages, in addition to the reimbursement of the sums paid out in the meantime.

12.2 FLODRAULIC INDUSTRIAL has the right to proceed at any time with the legal termination of the Contract pursuant to and for the purposes of Article 1456 of the Italian Civil Code, by means of a simple written communication addressed to the Supplier, expressing its intent to avail of this express termination clause if the Supplier fails to comply with one or more of the obligations referred to in the following Articles of these General Conditions, namely Articles 4.2 (Peremptory Terms); 8.1(a), (b), (c), (d), (e), (f) (Supplier Commitments and Guarantees); 8.6(c) (Supplier Intervention Defect); 9.1 (Warranty and Quality Agreements); 9.3 (FLODRAULIC INDUSTRIAL Goods); 14 (Prohibition of Contract Transfer and Prohibition of Credit Transfer); 15 (Confidential Information – Secrecy Obligation); 16 (Personal Data Processing); and 18 (Code of Ethics).

12.3 An additional reason for immediate termination of the Contract, pursuant to and for the purposes of Article 1456 of the Italian Civil Code, is the breach by the Supplier of the provisions of the Company Code of Ethics adopted by FLODRAULIC INDUSTRIAL, which the Supplier declares to have read and to respect unconditionally as an integral and essential discipline of the Contract.

12.4 In all cases of Contract termination due to the fault of the Supplier, FLODRAULIC INDUSTRIAL shall be entitled to compensation for

damages and reimbursement of all sums paid in the meantime.

12.5 FLODRAULIC INDUSTRIAL reserves the right to withdraw from the Contract, at any time and at its sole discretion, even if its execution has already begun. Such withdrawal must be by written notice to the Supplier, with at least 30 (thirty) days' notice, following which the Contract shall be deemed automatically terminated and the Supplier shall cease all relative activities or services. In such case, the Supplier will be entitled to receive payment for the Products and/or Services already duly delivered to FLODRAULIC INDUSTRIAL as of the effective date of the withdrawal, in addition to a further amount as an all-inclusive indemnity for the early termination of the Contract equal to 10 (ten) percent of the fee for the part of the Supply not performed, net of VAT, excluding any reimbursement of any loss of earnings and/or compensation for any damages, and without prejudice to any other written agreement between the Parties.

13. FORCE MAJEURE

13.1 Neither Party shall be liable for any delay or default caused directly and immediately by an exceptional and supervening event, neither foreseeable nor avoidable, which is beyond the reasonable control of the Party affected by said event, including but not limited to earthquakes, floods, trade union strikes, pandemics/epidemics, measures imposed by government authorities, riots, wars and/or embargoes arising after entering into the Contract. Under no circumstances will the delays of subcontractors be considered a cause of force majeure.

13.2 The Party affected by an event of force majeure must immediately give written notice to the other, specifying the nature and characteristics of the event and the reasons causing the delay, failing which it may not be able to avail of the exemption from liability provided for by this article and/or by the relevant legislation.

13.3 If the force majeure event continues without interruption for more than 15 (fifteen) days, each Party shall have the right to

communicate in writing the termination of the Order/Contract without the liability of one Party to the other, without prejudice to any liability for any breaches already occurred by a Party before the occurrence of the force majeure event.

14. PROHIBITION OF CONTRACT TRANSFER - PROHIBITION OF ENTRUSTING THIRD PARTIES - PROHIBITION OF CREDIT TRANSFER

14.1 The Supplier is strictly forbidden to transfer the Contract to third parties and/or to entrust its execution, even if only partial, to third parties, without the prior written authorisation of FLODRAULIC INDUSTRIAL, which – even if granted – will not diminish the direct responsibility of the Supplier, towards FLODRAULIC INDUSTRIAL, for the work of its appointee.

14.2 The receivables due to the Supplier under the Contract cannot be transferred to third parties for any reason, even in the form of order for collection or other form of delegation to credit institutions and/or factoring companies, unless expressly authorised in writing by FLODRAULIC INDUSTRIAL.

15. CONFIDENTIAL INFORMATION - SECRECY OBLIGATION

15.1 FLODRAULIC INDUSTRIAL may transmit to the Supplier data and/or information of a strictly confidential nature such as, by way of mere example, data, technical knowledge, processes, formulas, information and material containing professional secrets, know-how (whether patentable or not), developments, inventions, computer programs, source codes, codes, documentation, diagrams, 2D and 3D drawings, samples, flow-charts, technical, experimental and development works, experiences, technologies, design, manual techniques, processes, methods, software, technical solutions deriving from planning, calculation, simulation, construction and development of prototypes, market, sales, price and cost information, customer lists, contact names, price lists, inventory data, market and business plans, technical-commercial needs of customers, employees, licensees and suppliers and related business methods, agreements with

customers, employees, licensees and suppliers, manuals, reports and personnel data, data and news relating to any aspect of production, as well as drawings, preliminary analyses, sketches, samples or prototypes and so forth (in summary, "Confidential Information").

15.2 The Supplier undertakes to consider the Confidential Information, both written and oral, as strictly reserved and to use it only for the purpose of fulfilling its obligations under the contract and for the duration thereof. In particular, the Supplier declares and acknowledges that the authorised access to the Confidential Information of FLODRAULIC INDUSTRIAL does not constitute the transfer of ownership nor recognition in its favour of any right over the shared information but is exclusively aimed at execution of the Contract.

15.3 The Supplier is strictly forbidden to reproduce, duplicate, decompile, copy in whole or in part, or disclose in any way to third parties the Confidential Information, if not within the limits of what is strictly necessary for the fulfilment of its contractual obligations and ensuring in advance that, in case of necessary disclosure to third parties, they undertake in writing to keep the information received confidential, according to the same terms and methods set out in this article, without prejudice to and save the direct liability of the Supplier towards the Customer also for the conduct of the third party.

15.4 The Supplier undertakes to immediately return to FLODRAULIC INDUSTRIAL all Confidential Information, in whatever form available, both written and unwritten, including all copies thereof, as soon as the Contract is terminated, even in advance, for any motivation or reason, excluding any possibility of retaining such information.

15.5 As a partial exception to the above, only Confidential Information that is or becomes in the public domain is not subject to the requirements and restrictions referred to in this article, without this deriving from violations of the law and/or confidentiality obligations, or that are already in the legitimate possession of the

Supplier before its communication by FLODRAULIC INDUSTRIAL, in which case the Supplier must immediately notify the latter, under penalty of forfeiture of this exemption, or their use before the judicial authority is strictly necessary to protect their rights.

15.6 The Supplier undertakes to enforce the confidentiality obligations and constraints set out in these General Conditions on any contractor, administrator, employee, appointee, agent, representative and/or consultant, as well as on any other person who for any reason may be involved in the execution of the Contract, even if only in an ancillary and/or subsequent manner.

15.7 The Supplier undertakes to promptly notify FLODRAULIC INDUSTRIAL of any unauthorised use or improper disclosure of the Confidential Information of which it becomes aware and to provide with all necessary assistance to stop the unauthorised use and/or disclosure.

16. PERSONAL DATA PROCESSING

16.1 The Parties mutually acknowledge and guarantee that all personal data processing operations carried out in execution of the Contracts and Orders will be conducted in accordance with EU Regulation 2016/679 (GDPR) and Legislative Decree 196/2003 and subsequent amendments and additions ("Privacy Regulations"), as well as in compliance with the Personal Data Processing Policy that one Party has communicated to the other and that the Parties declare to know (the Policy pursuant to Article 13 GDPR of FLODRAULIC INDUSTRIAL can be consulted on the website <https://flodraulicindustrial.com>

16.2 The Parties undertake to implement adequate technical and organisational measures to guarantee a level of security appropriate to the risk, undertaking to safeguard the personal data processed in such a way as to avoid its unauthorised destruction, loss, disclosure or access.

16.3 Each Party undertakes to hold the other mutually harmless from any claim for compensation deriving from any unlawful

processing of personal data deriving from non-compliance with the GDPR and applicable national legislation.

16.4 To exercise their rights and to request any information regarding the processing of their personal data, data subjects may contact FLODRAULIC INDUSTRIAL at any time, by sending a written communication to the company's headquarters or by sending an email to the designated point of contact via comitatoprivacy@flodrauliceurope.com.

17. COMMUNICATIONS

17.1 Unless otherwise established, any communication between the Parties relating to the Contract must be made by exchange of written correspondence, by registered mail with acknowledgement of receipt to the registered office of FLODRAULIC INDUSTRIAL S.r.l. or by certified email sent to comitatoprivacy@flodrauliceurope.com

18. CODE OF ETHICS

18.1 The Supplier undertakes, for itself and for its directors, statutory auditors, employees, representatives and/or contractors (including any subcontractors), pursuant to and for the purposes of Article 1381 of the Italian Civil Code, to fully comply with the Company Code of Ethics adopted by FLODRAULIC INDUSTRIAL and available on the FLODRAULIC INDUSTRIAL website, of which it declares to have read with the signing of the General Conditions.

18.2 In the event of breach/non-compliance by the Supplier and/or its directors, auditors, employees, representatives and/or contractors (including any subcontractors), with the provisions of this article, FLODRAULIC INDUSTRIAL may terminate the individual Contracts and/or any Orders, pursuant to and for the purposes of Article 1456 of the Italian Civil Code. In any case, the Supplier and/or its staff remain exclusively liable for all criminal and civil effects in relation to such breach/non-compliance.

19. APPLICABLE LAW AND JURISDICTION

19.1 These General Conditions and/or any individual Contract and/or any individual relationship, even pre-contractual, governed by them, including any question relating to their interpretation, entering into, validity, execution or any possible case of termination, cancellation or invalidity, are subject to and governed exclusively by Italian law, with the express exclusion of the application of the Hague Convention on the International Sale of Goods and the United Nations Convention on Contracts for the International Sale of Goods, as well as the rules of private international law.

19.2 Any dispute or litigation that may arise between the Parties in relation to the interpretation, entering into, execution, validity or termination of the General Conditions and/or each individual Contract and/or each individual relationship governed by them will fall exclusively to the jurisdiction of the Italian Judicial Authority, where the Court of Bologna will be exclusively competent, with the exclusion of any competing court.

20. FINAL PROVISIONS

20.1 The failure of either Party to exercise the rights deriving from the Contract (and more generally of its own rights) will not constitute a waiver of these rights, nor will it operate in such a way as to prevent their future exercise.

20.2 The Supplier is prohibited from ceding or transferring to third parties, in whole or in part, the Contract and/or the rights or obligations deriving from it.

20.3 The invalidity or ineffectiveness, in whole or in part, of one or more of the clauses of these General Conditions shall not affect the validity of the other clauses or the rest of the clause. The invalid or ineffective provision shall be replaced by a valid and effective clause the scope of which will be as similar as possible to that of the original clause.

20.4 The General Conditions, if made enforceable through Orders for Products and/or Services, do not have the nature of a stable supply contract and do not provide for any obligation of exclusivity to be borne by the

Parties and do not intend to give rise to a corporate relationship nor to any other form of permanent organisation and association between the Parties. Consequently, the Parties will be entirely free to enter into and sign similar supply contracts with third parties.

20.5 Any amendment to the Contract must be in writing and signed by both Parties.

Date and place

FLODRAULIC INDUSTRIAL S.R.L. The Supplier

Pursuant to and for the purposes of Articles 1341 and 1342 of the Italian Civil Code, the Supplier expressly declares having carefully read each individual condition of sale, as well as accepting the agreements contained in these General Conditions, specifically approving the following articles:

Article 4.5 (Penalty for Delay); Article 6.1 (Returns and Refunds); Article 7.2 (Invariability of Prices); Article 7.6 (Calculation of Interest for Delays); Article 8.1(a), (b), (c), (d), (e) and (f) (Supplier Commitments and Guarantees); Article 8.3 (Deadline for Reporting Defects); Article 8.4 (Acceptance of the Complaint of Non-Conformity); Article 8.9 (Indemnity); Article 9.1 (Warranty and Quality Agreements); Article 9.2 (Inspections); Article 11 (Supplier Responsibility, Suspension of Payments); Article 12 (Express Termination Clause); Article 12.5 (Withdrawal); Article 13 (Force Majeure); Article 14 (Prohibition of Contract Transfer and Prohibition of Credit Transfer); Article 15 (Confidential Information – Secrecy Obligation) Article 16 (Personal Data Processing); Article 18 (Code of Ethics); Article 19 (Applicable Law and Jurisdiction); 20 (Final Provisions).

Date and place

The Supplier