

GENERAL PURCHASING TERMS AND CONDITIONS

By and between

HSL s.r.l. a socio unico, VAT number 00649980224, registered office in Trento, via dei Masadori n. 46 (hereinafter also referred to as HSL)

and

COMPANY NAME, VAT Number, registered office in, represented by, role (hereinafter also referred to as Supplier), hereinafter each one referred to as Party and jointly referred to as Parties.

WHEREAS

- a) HSL operates in the plastics sector and in particular, by way of example but not limited to, in the areas of concept & industrial design; prototyping and additive manufacturing; product development, in particular lighting for the automotive sector, including production equipment; production and assembly of modules, systems, assemblies and/or product groups.
- b) HSL acquires orders from its customers (hereinafter also Client/s) and executes them availing itself of its own network of suppliers, fully relying on their abilities as well as on the exact fulfilment of the obligations that they assume.
- c) The Supplier operates in the field of description in the sector description.
- d) HSL has selected the Supplier in order to include it among its qualified suppliers for the (specify_the_activities_requested_mechanical_design_or_optical_design_or_electronic_design_or....) of (specify_the_detailed_product_description) (hereinafter also Deliverables).
- e) It is understood that the Supplier has been chosen for its competence and technical ability as well as on the assumption that the same has declared to be able to guarantee the respect of the technical and qualitative specifications (quantities and delivery terms included) normally requested by HSL to its suppliers, which have been illustrated in detail to the Supplier. The Supplier is aware that the Client's order acquisition by HSL is possible thanks to the ability of HSL and its suppliers to provide perfectly made Deliverables and to comply with the requested delivery terms. HSL and the Supplier are aware that the time of execution of their work is normally contained and rigid and that every subject involved in the projects must strictly respect them. In fact, in case of delays, there is a huge risk that the whole process (e.g. production of the Equipment, validation, homologation of the products, mass production and production of the final product etc.) may suffer at least the same delay and that even the entire project may fail, which means that HSL suffers the consequences deriving from the possible breach of the contract with Clients (e.g. compensation for damages to which it is bound against Clients, termination of the main contract, damages for lost profits, etc.).
- f) The Supplier warrants that no suit, action, arbitration, or legal, administrative, or other proceeding or investigation is pending or threatened against it or in any way affecting it, its business and/or financial condition, which would result in any adverse effect on the validity and/or enforceability of this contract and/or on Supplier's ability to perform it as well as on Supplier's ability to perform any potential future contractual relationship with HSL.

PARTIES COVENANT AND AGREE AS FOLLOWS

1. PREMISES AND ATTACHMENTS

1.1. The premises and the attachments to this contract (hereinafter also referred to as Purchasing Conditions) constitute an integral and substantial part of it. The Supplier declare as from now to be fully aware of the contents of the annexes to this contract and to expressly approve them.

1.2. Hereinafter any reference to a premise, an article, a clause or an attachment shall be understood, unless otherwise specified, as a premise, an article or an attachment of/to the Purchasing Conditions.

2. SUBJECT MATTER

2.1. From the time of signing, the Purchasing Conditions provide the general terms and conditions to be applied to all and any possible future

supply relationships between the Parties (hereinafter also referred to as Supply Contract/s).

2.2. Purchasing Conditions do not bind the parties to enter into future Supply Contracts. Nothing within the Purchasing Conditions shall be construed and/or interpreted as to create an expectation or any right whatsoever upon the Supplier to become a HSL business partner for any future activities. The relationship between the Parties is that of independent contractors. Nothing contained in the Purchasing Conditions/Supply Contract/s shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the Parties, and neither Party shall have authority to contract for or bind the other Party in any manner whatsoever.

2.3. Purchasing Conditions applies exclusively. Contravening or differing terms and conditions of the Supplier do not apply, unless HSL has expressly accepted such conditions in writing. The Purchasing Conditions also applies if HSL, while being aware of Supplier's contravening or differing terms and conditions, accepts and pays for deliveries made by the Supplier.

2.4. Purchasing Conditions remain in force until both Parties state otherwise in writing, being intended that any Supply Contract initiated during their validity will in any case remain governed by Purchasing Conditions.

3. ORDERS, SUPPLY CONTRACTS AND SUPPLIER OBLIGATIONS

3.1. Supply Contracts are concluded through HSL's purchase order/s (hereinafter also referred to as Order/s or Purchase Orders) and Supplier's acceptance, in accordance with what is specified below.

3.2. Purchasing Conditions will be integrated by the particular conditions contained or attached to potential future Orders (hereinafter also referred to as Particular Conditions), where, for example, will be specified in writing:

- technical requirements of the Deliverables;
- work plan/Deliverables;
- work plan/GANTT;
- the outline of the obligations of HSL towards the Client;
- specific requirements of the services requested by HSL;
- agreed price and payment terms;
- any other element - both economic and technical - not regulated and/or different from those provided by the Purchasing Conditions.

3.3. Supply Contracts consist of: i) HSL's Order; ii) Particular Conditions; iii) Supplier's acceptance (even tacit, according to clause 3.6); iv) other eventual conditions expressly agreed in writing; v) Purchasing Conditions. In case of disagreements, the order shown here corresponds to the hierarchy of regulation sources. Any reference into Orders to any offer or proposal made by Supplier is solely to incorporate the description or specifications of goods and/or services referred therein and only to the extent that the description or specifications do not conflict with the description and specifications contained in the Order.

3.4. Purchase Orders will be considered valid only if they are made and accepted in writing. The Orders, their acceptance and all the related communications will be preferably sent by e-mail, EDI, web-EDI, etc.. In this regard, the Supplier guarantees the continuous - at least daily - connection to internet as well as the proper functioning of its electronic systems, assuming the sole responsibility and relieving HSL of any prejudicial effect that may result from failure or incorrect operation of the abovementioned systems. Notwithstanding any other provision or law presumption, Orders, e-mail, EDI, web-EDI, communications etc. will be considered to have been received by the Supplier when sent by HSL, if they have not been preceded by a written communication from the Supplier, indicating the temporary impossibility of using the system/s. The Supplier also takes upon itself the implementation and maintenance of its tools for the interchange of data. So called "call orders" may also be issued through electronic data transfer according to the standards applicable in the automotive industry.

3.5. Acceptance of the Order also involves the complete and unconditional acceptance of all the Particular Conditions contained therein. Any file, drawing and any other supply prescription referred to in the Particular Conditions and/or attached to the Order by HSL,

constitute an integral part of the Orders and therefore of the Supply Contract.

3.6. Orders will be considered accepted by the Supplier: a) when HSL receives from the Supplier a written acceptance compliant with the Order (any acceptance not perfectly compliant with the Order will be considered as not forwarded to HSL by the Supplier); b) if the Supplier starts or declares to have started the work referred to in the Order in full and unconditional respect of all its specific terms and conditions (HSL must be allowed to freely verify these circumstances). In any case, if HSL does not receive an express acceptance perfectly compliant with the Order or an express rejection of the Order within three working days from receipt of the Order by the Supplier, the Order will be considered as fully accepted by Supplier, regardless of any other circumstance.

3.7. If the Supplier realizes that it is unable to comply with an already accepted Order, it shall immediately notify in writing HSL, specifying the reason of the above and (if applicable) the new terms required. HSL will have the discretionary power to consent to a written modification of the agreements or not, without prejudice to all the remedies at its disposal under the current agreements and applicable law.

3.8. Without prejudice to what is provided in article 3.4, the written form is preferable for all the Order-related communications between the Parties. A written form is instead necessary for communications of particular importance and/or which may affect the contractual relationship and/or the timely execution of all the terms and conditions.

3.9. Coordination between HSL, the Supplier and other suppliers is essential for the successful delivery of the Order. HSL may appoint a suppliers' coordinator, also chosen among those proposed by the Supplier or by other suppliers. The cost of the coordinator will be charged to HSL.

3.10. Cost estimates of the Supplier are legally binding. Expenses for such estimates shall not be reimbursed by HSL, unless otherwise agreed in writing.

3.11. If applicable, the Supplier shall provide HSL, reasonably in advance on the start of the supply, with the appropriate information for the diagnosis and repair of the Deliverables, as well as for the preparation of the warnings in the use and maintenance manuals or, in any case, all the information that must be given to the competent Authorities for the circulation of vehicles.

3.12. Unless otherwise agreed in writing, HSL may appoint other suppliers to produce products with characteristics identical to the Deliverables referred to in the Supply Contracts with the Supplier.

3.13. If the Supplier manufactures for HSL a Deliverable intended to be a final product to be directly incorporated "as is" or substantially "as is" into Client's product, the Supplier may not sell said product to third parties except, where applicable and where expressly authorized in writing by HSL, as spare parts.

3.14. HSL's liability for any possible damage suffered by the Supplier, e.g. due to loss of profits, interests, penalties, direct and/or indirect damages, delay in payment, damage to property, personal injury, illness, death etc. is expressly excluded to the maximum extent permitted by the law.

3.15. The Supplier is fully responsible for the exact and timely fulfilment of its obligations. In any case the Supplier shall indemnify, defend and hold harmless HSL from and against any responsibility and/or damage (even indirect) resulting from Supplier's failure to fulfil even only part of its obligations, from delays and/or failure to comply with even one of the terms of the Purchasing Conditions and/or of single Supply Contracts. In any case the Supplier shall indemnify, defend and hold harmless HSL from all and any (actual or alleged) liability, expenses, claims, losses, litigation costs (reasonable attorney fees included) which in any manner arise out of, relate to, or are connected with the performance of the Supply Contracts by the Supplier, its employees, agents, representatives, authorized subcontractors and suppliers (including but not limited to: damages arising out of personal injury or death to any person; property damages; environmental damages; indirect damages; violation of law etc.).

3.16. The Supplier shall agree with any authorized subcontractors to meet the same conditions required by HSL to its suppliers, without

prejudice of the direct and joint liability that in any case the Supplier has towards HSL.

3.17. Prior to the start of each possible Supply Contract, the Supplier must indicate in writing to HSL the name and contacts of the person responsible for the project as well as the name of a substitute in case of unavailability of the first.

4. DELIVERABLES' MODIFICATION AND INSPECTION RIGHT

4.1 HSL may request in writing changes relating to the construction and manufacturing process of the Deliverables to be made by the Supplier. The impact of these changes, especially with respect to increases or reductions in costs as well as to delivery dates, shall be resolved in an appropriate and mutually agreeable manner.

4.2 The Supplier is obliged to immediately inform HSL about any changes to the Deliverables that, in Supplier's opinion, would be useful/necessary to improve any aspect of the Deliverables themselves or of their production process. The Supplier is not allowed to any change to the Deliverables (including any changes to their specifications, their design and/or the materials), the production processes and/or the production location without prior written consent by HSL. In case of violation of this article by the Supplier, any damages as well as any costs for any subsequent update/recall campaigns required by such arbitrary changes may be charged to the Supplier.

4.3 The Supplier is available for periodic checks together with HSL, also by videoconference, regarding the work in progress and the achievement of the production goals.

4.4 The Supplier shall allow controls and inspections by authorities on production methods, including process control methodologies and testing of Deliverables and the related documentation. The Supplier shall also guarantee that such controls can be carried out at its eventual authorized subcontractors' companies' premises.

4.5 HSL has the right to carry out inspections, verifications and controls of the production processes, of the means of production, of the processing and or control and testing methods used by the Supplier. HSL may carry out inspection activities directly or delegate third parties.

5. PRICES, PAYMENTS AND CURRENCY

5.1. Prices indicated in the Orders are fixed and include any kind of taxes and/or charges. Unless otherwise specified in the Orders or required by law, the price includes all packaging, transportation costs to the delivery location, insurance, customs duties, fees and applicable taxes, including, but not limited to, all sales, use or excise taxes. Price changes due to cost changes or other changes (including the increase of additional charges) are excluded unless agreed in writing between the Parties, being intended that the consent by HSL shall not be unreasonably withheld.

5.2. If product prices are not determined at the time of HSL's Order, the Supplier shall fill in the product prices into the acceptance of the Order that shall be returned to HSL. In this case a valid contract comes into force only once HSL has accepted such product prices in writing.

5.3. All additional charges (customs, package, transport, insurance) have to be stated separately in the Supplier's offer and shall in any case be borne by the Supplier (except the applicable value added tax - VAT), unless otherwise agreed in writing between the Parties.

5.4. HSL has the right to always verify the consistency of the prices with the average price on the market for the services/supplies provided by the Supplier. In case of discrepancy the Supplier shall apply to HSL a price in line with the best price on the market for similar Deliverables.

5.5. The Supplier shall issue a regular invoice for each delivery, following the Particular Conditions and/or any existing written agreements with HSL. Unless otherwise agreed in writing between the Parties (or justified by compliance with the provisions of the law), the Supplier is required to issue no more than two invoices each month, without giving relevance to the number of deliveries made.

5.6. Without prejudice to other provisions of the Purchasing Conditions/Particular Conditions, and unless otherwise expressly agreed in writing between the Parties, payments will be made via wire transfer by HSL, according to the Particular Conditions of the individual Supply Contract at the agreed deadline of the invoices sent by the Supplier pursuant to the previous clause. If, for any reason, the delivery of a single phase is subject to delay or is partial - and if the Supply Contract is not terminated, according to Purchasing

Conditions/applicable law - payment terms will start from the date of delivery's completion.

5.7. Without prejudice to other provisions of the Purchasing Conditions and/or specific written agreements between the Parties, any sum due by HSL to the Supplier will be payable exclusively on condition that the correct delivery of the Deliverables has been performed.

5.8. HSL may suspend payments in case of Supplier's failure in fulfilling its obligations or if the circumstances indicate that the Supplier will be unable to comply with its upcoming obligations. During payment suspension by HSL the Supplier may not suspend the performance of the Supply Contracts.

5.9. The payment for the Deliverables will not entail an acceptance of non-compliant Deliverables/services, nor will restrict any right or faculty of HSL to obtain: a) the correct execution of the contracts or their termination (single Orders or all supply relationships); b) the repayment of the sums paid and/or the compensation for all and any damages incurred.

5.10. Unless the Parties have expressly agreed otherwise in writing, if HSL pay within 14 days after the receipt of an appropriate invoice, HSL shall benefit of a discount of 2%. These time limits shall commence on the day on which HSL receives the invoice.

5.11. Unless the Parties have expressly agreed otherwise in writing, all payments related to any future HSL Orders will be settled in EURO.

6. DELIVERY

6.1 The delivery dates and terms as defined in the Supply Contract are binding.

6.2 The Supplier shall immediately inform HSL of any foreseeable delays in delivery as well as of any other problem relating to a performance obligation. Simultaneously, the Supplier must inform HSL of the reasons for and the duration of the delay/problem. Physical reception/acceptance of any delayed delivery of the Deliverables shall not be considered a waiver of HSL's rights with respect to the delayed delivery.

6.3 In case of delays which are not due to circumstances of force majeure (as defined below), HSL have, at his discretionary choice, the following options:

- a) accept the delayed execution of the Supply Contract, automatically deducting a penalty equal to two percent of the price of the delayed service for every week (or portion of week) of delay, without prejudice to: i) any right to compensation for all and any greater damages; ii) following lett. d);
- b) procure from third parties, in whole or in part, the Deliverables, at expense and risk of the Supplier, notifying to the latter this choice and issuing the relevant invoice to the Supplier, without prejudice to: i) any right to compensation for all and any damages; ii) following lett. d);
- c) deem the Supply Contract terminated, notifying to the Supplier this choice, being HSL free from any obligation related to the relevant Supply Contract with the effects and consequences of art. 23.1 and without prejudice to: i) any right to compensation for all and any damages; ii) following lett. d.
- d) in case of stop/suspension of the production of HSL's Client products due to the delayed/cancelled delivery from Supplier, HSL will have the right to compensation for all and any direct and indirect costs and damages.

6.4 The delivery documentation, marking, packaging, labelling, identification, as well as the collection, shipment, transport, delivery and return of the Deliverables will be handled by the Supplier in accordance with the instructions received in written by HSL.

6.5 Unless different delivery terms have been agreed in writing, delivery shall be made DAP Incoterms 2010 to HSL or to a location specified by HSL, the transfer of risk will take place at the time of delivery to the recipient. In case of DDP deliveries or if HSL has agreed in writing to bear the transportation costs, then HSL has the right to change the delivery term from DDP to FCA Incoterms 2010. If HSL has changed to FCA, the transportation costs will be deducted from the price. If HSL bears the transportation costs, the Supplier must choose the most suitable, advantageous and commonly used means of transportation and packaging, unless HSL determines the means of the transportation

and the packaging it wishes. In any case, the Supplier bears all related risks until delivery to the recipient of the Deliverables.

6.6 The date of arrival of the product and the shipping documents to HSL or to the designated location shall be considered as timely delivery at the agreed delivery date, if DAP was agreed on. This also applies if FCA has been agreed on; in this case, however, the Supplier has to ship the Deliverables, taking into consideration the time usually required for shipment and transportation.

6.7 In case of so called "call orders", HSL shall specify and release the amount of a single order and the date of these partial deliveries. Any notification by HSL to the Supplier concerning the estimated amounts of delivery, does not bind HSL to accept the respective delivery.

6.8 Should any delivery from Supplier arrive at destination before the agreed date, products may alternatively be: a) rejected and returned back to the Supplier, at latter's risk and expense; b) accepted and stored at Supplier's total expense. Even in the event of non-rejection, the payment terms referred to in the relevant invoice shall be effective from the formally scheduled delivery date.

6.9 Without prejudice to artt. 6.2 and 6.3, should the Supplier deliver at the agreed date more or less Deliverables than ordered, the delivery may alternatively be: a) accepted and stored with the simultaneous right to modify subsequent delivery plans; b) rejected for the excess part and returned back to the Supplier, at latter's risk and expense; c) accepted without prejudice to any further remedy available to HSL according to Purchasing Conditions and/or applicable law.

6.10 The Supplier is fully responsible for the exact and timely fulfilment of its Delivery obligations stated in the Purchasing Conditions and/or in single Purchase Orders and/or expressly agreed in writing between the Parties. In any case the Supplier shall indemnify, defend and hold harmless HSL from and against any responsibility and/or damage (even indirect) resulting from Supplier's delays and/or failure to comply with even one of the Delivery terms, including, for example, the responsibility for all the costs of sending the Deliverables with faster modes of transport (for example by air), necessary to fulfil the existing agreements between HSL and its Clients. In any case the Supplier shall indemnify, defend and hold harmless HSL from all and any (actual or alleged) liability, expenses, claims, losses, litigation costs (reasonable attorney fees included) which in any manner arise out of, relate to, or are connected with deliveries.

7. STOCKS

7.1 The Supplier is required to maintain - also during the period stated in art. 18 - stocks of Deliverables, to the extent and in a manner that ensures continuity of supplies. The stocks must consist of tested material, suitably rotated.

8. WARRANTY

8.1 The supplier undertakes and warrants to provide to HSL only: a) Order-compliant Deliverables (including their correspondence to any validated models or prototypes and their full compliance with all the agreed product technical specifications/requirements); b) Deliverables free from vices/defects/lack of the agreed qualities (hereinafter simultaneously referred to as Defects); c) Deliverables without malfunctions; d) Deliverables which are fit for the intended purpose.

8.2 The Supplier shall indemnify, defend and hold harmless HSL from and against any responsibility and/or damage (even indirect) incurred by HSL as a result of the Supplier violation of the warranty stated in the previous clause, such as, but not limited to, in relation to any claims for damages by third parties for Defects of the Deliverables. All other claims due to breach of contract or breach of other obligations remain unaffected.

8.3 Unless otherwise expressly agreed in writing between the Parties, the warranty on Deliverables stated in this article has at least the same duration than the warranty on Deliverables that HSL grants to the Client to which the Supply Contracts with the Supplier refers to, as resulting from the related contracts in force when the Supply Contract is closed, which on request can be provided by excerpt to the Supplier.

8.4 The Supplier undertakes to stipulate and maintain a suitable insurance policy to cover the risks indicated in this article.

9. INSPECTION AND REMEDIES

9.1 If - accordingly to the Quality Management Agreement - HSL is not required to inspect Deliverables, no inspection or failure to inspect will reduce or alter Supplier's obligations and HSL's rights.

9.2 In case HSL inspects the Deliverables finding Defects, HSL shall notify the Supplier within the terms stated in the enforced Quality Management Agreement after such Defects have been detected within the proper course of business. To this extent the Supplier waives as for now any objection to delayed notification of Defects. However, in case HSL and the Supplier agreed on JIT ("Just-In-Time") or JIS ("Just-In-Sequence") delivery, HSL's eventual obligation to examine the delivered products and to notify the Supplier of Defects of the delivered products shall be limited to the examination of the delivered products with the quantitative data of the respective delivery note and to damages noticeable through visual inspection during the processing of delivered products.

9.3 Without prejudice to all other remedies available to HSL, the latter has the right to choose the type of remediation of Defects. The Supplier has the right to reject the selected type of Supplier-performance in case that such supplementary-performance would be unreasonable, but it shall in any case guarantee the prompt, effective and definitive remedy of the Defects.

9.4 In case the Supplier does not immediately remedy the defect after being requested to do so by HSL, the latter has the right, under urgent circumstances, to perform the remedy work itself or hire a third party, especially in order to avoid higher damages or in the event of imminent danger. In any case all and any remediation costs (both direct and indirect) shall be borne by the Supplier. The Supplier shall also bear additional remediation costs arising out or in connection with the Defects, especially costs of transport, assembly, disassembly, administrative costs and handling charges (at HSL's level, Client's level and/or Client's dealer's level) as well as all other costs in connection with the remedy of the defect. In addition, the Supplier shall also bear costs which are associated with any HSL's participation in "Remedy-of-Defect-Program" such as "Contained Shipping Level" and "Executive Champion Programs" or similar programs of its customers, particularly those of car manufacturers. Statutory or other contractual claims arising out or in connection with the supply of defective products remain unaffected. The Supplier undertakes to stipulate and maintain a suitable insurance policy to cover the risks indicated herein.

9.5 In case of Deliverables that prove to be defective/dangerous or in case of Deliverables that cause damages to things or people (also according to Italian Presidential Decree 224/88, D.Lgs. 172/04 and/or to art. 2043 of the Italian Civil Code), HSL may claim against the Supplier for the share of responsibility of the latter in the production/putting into circulation of the defective Deliverable.

9.6 For Deliverables which were not operational during the inspection of the defective Deliverables or the remediation work, the respective warranty period shall be prolonged by the period of such operational interruption.

9.7 In cases of the replacement of Deliverables or if a repaired Deliverables shows new defect or a defect resulting from repair, the respective warranty period shall recommence from replacement/repairation.

9.8 Any non-compliant Deliverables returned by HSL must be disposed of by the Supplier in accordance with the applicable law. If agreed in writing, HSL may provide for the non-compliant Deliverables disposal of at Supplier's expense.

9.9 Unless stated otherwise in the Purchasing Conditions, in the Supply Contract or in the Quality Management Agreement, the relevant Italian law concerning Defects shall apply.

9.10 The Supplier undertakes to stipulate and maintain a suitable insurance policy to cover the risks indicated in this article.

10. PRODUCT LIABILITY, INDEMNIFICATION, INSURANCE

10.1 Should HSL be subject to a claim based on product liability attributable to the Supplier's actions and/or caused by Defect of the Deliverable delivered by the Supplier, then the latter is obligated to hold HSL harmless and shall indemnify HSL of all claims brought by third parties, including all costs and expenses concerning legal fees and recalls. In cases of strict liability this shall only apply if the Supplier is at fault. The Supplier is obligated to provably maintain recall and liability

insurances with an adequate insured amount for each eventual personal injury/material-damage. In other respects, the relevant Italian laws shall apply. HSL shall inform the Supplier - as far as practically possible and reasonably expectable - about the extent of such recall and allow the Supplier to comment on this matter.

10.2 Supplier shall maintain and upon request furnish to HSL copy of: (a) a civil liability policy towards third parties during the performance of Supply Contracts in the amount of no less than € 2.000.000,00; (b) a policy covering Suppliers' employer's liability towards its employees, partners or the employees of any authorized subcontractor in the amount of no less than € 500.000,00 per claim and no less than € 1.000.000,00 for each injured person (including an extension to biological damages and an health insurance policy for its employees); (c) if applicable, a Worker's Compensation Insurance as required by applicable law including Employer's Liability coverage "B" (or stop gap coverage) in the amount of no less than € 1.000.000,00. In case of work to be performed at HSL's premises or utilizing HSL or HSL's Clients property, Supplier shall maintain and upon request furnish to HSL copy of: (a) Commercial and professional General Liability Insurance in at least the amount of no less than € 5.000.000,00 combined single limits per occurrence; (b) Vehicular Liability Insurance in at least the amount of no less than € 1.000.000,00; and (c) Umbrella coverage in the amount of no less than € 5.000.000,00. Any shortfall in the above coverages can be made up for by the umbrella policy so long as proof is provided in writing that the umbrella covers that policy.

10.3 All policies provided for in this article shall be undertaken by the Supplier with financially sound and reputable insurers. Upon HSL's request or prior to commencement of any services or delivery of any goods, Supplier shall provide HSL with a certificate of insurance from Supplier's insurers evidencing the insurance coverage above specified. The certificate of insurance shall name HSL as an additional insured. Supplier shall provide HSL with at least thirty (30) days' advance written notice in the event of a cancellation or material change in Supplier's insurance policy(ies). Except where prohibited by law, Supplier shall require its insurers to waive all rights of subrogation. Supplier must also require all eventual authorized subcontractors to comply with all insurance requirements of these Terms.

11. PERFORMANCE OF WORK

11.1 Third parties engaged/hired by the Supplier for the performance of its obligation under the respective Supply Contract, who will be physically present at HSL's premises or at premises of third parties specified by HSL, shall comply with the respective work regulations of HSL or of such third parties specified by HSL.

12. RETENTION OF TITLE, HSL-MATERIALS, OWNERSHIP

12.1 HSL will accept a "simple" retention of title, if such a retention right is requested by the Supplier and properly and validly formalized at exclusive care of the Supplier itself. However, it is intended as from now that HSL has always the right to sell the Deliverables within the ordinary course of business: no "extended" retention of title as well as any other form of retention of title is allowed.

12.2 The Supplier is obligated to inform HSL immediately about any rights a third party might have concerning the Deliverables.

12.3 HSL shall remain the sole owner of any materials, parts, containers and/or custom packaging that should be provided to the Supplier, of which the latter is solely responsible for the case of theft, damage or otherwise from the time of delivery. Those items shall only be used in accordance with the agreed terms of use and properly marked as "Propriety of HSL S.r.l.". The processing and/or assembling of such items will be carried out on HSL's behalf. HSL shall become co-owner of products which are comprised of HSL's materials and parts. The proportion of the co-ownership shall be proportional to the value of HSL's items within such product. The items provided by HSL shall be kept in a proper condition by the Supplier and shall not be moved elsewhere without written authorization of HSL.

12.4 The Supplier undertakes to adequately store the goods referred to in the previous clause, as well as to provide for the stipulation of suitable insurance with financially sound and reputable insurers against theft and fire, as well as for civil liability towards third parties concerning the same goods. The Supplier herewith assigns all claims

based on such insurances to HSL. HSL herewith accepts the assignment. HSL may at any time request a copy of the policy.

13. CONTRACTUAL RIGHTS ASSIGNMENT, SETOFF, RIGHT OF RETENTION

13.1 The Supplier is not entitled to partially or entirely assign its contractual rights (including its receivables) to third parties or to allow third parties to collect receivables related to HSL contracts without the prior written consent of HSL. Should the Supplier assign its receivables against HSL without HSL's approval, then HSL is still entitled to pay the respective amounts to the Supplier and the latter will be fully liable towards the possible transferee for any prejudicial effect, indemnifying and holding harmless HSL from any related liability.

13.2 The Supplier has the right of set-off and retention only if such rights are undisputed or confirmed by a legally enforceable judgment. The right of retention shall furthermore be limited to the same Supply Contract.

14. TOOLS AND PACKAGING

14.1 Should HSL grant tools and/or any kind of equipment (hereinafter also referred to as Tools) on loan to the Supplier, the parties will conclude a specific agreement, which must be considered here fully referred to.

14.2 In the event that the Supplier is entrusted with the construction of Tools with a building contract (*i.e.* appalto, according to Italian Law), they become sole property of HSL when they come into existence. In any case - both in the case of a contract (appalto) and in the case of a sale - the Supplier waives any objection relating to the introduction of HSL into possession of the Tools against payment by the latter of 90% of the agreed price.

14.3 In relation to Tools manufactured by a third party engaged by the Supplier (or legitimately purchased by the Supplier from a third party) under a Supply Contract, the related order or purchase - within the limits previously authorized in writing by HSL - shall be made by the Supplier in the name and on behalf of HSL. In those cases, the Supplier shall issue a regular invoice to HSL. In any case - both in the case of a building contract (appalto) and in the case of a sale - the supplier must contract with the authorized subcontractor the waiver of any objection relating to the introduction of HSL into possession of the Tools against payment by the latter of 90% of the agreed price. HSL may in any case decide unilaterally to proceed with the direct payment of the authorized subcontractor, notifying the Supplier in writing.

14.4 Should the Tools remain on the premises of the Supplier, and if the transfer of the actual possession of the tools in accordance has not occurred yet, the transfer of the actual possession to HSL will be legally constructed by the Supplier keeping the tools for HSL. The Supplier is obligated to keep the Tools in a fiduciary capacity. The Tools shall exclusively be used for the manufacturing of the Deliverables ordered by and delivered to HSL. The Supplier is obligated to mark all Tools in a way that the ownership of HSL or third parties specified by HSL is properly visible.

14.5 The Supplier is obligated to insure at its own expense with financially sound and reputable insurers all HSL or third party owned Tools to the extent of the original value against property damage. The Supplier herewith assigns all claims based on such insurances to HSL. HSL herewith accepts the assignment. The Supplier must contract with any authorized subcontractor the same conditions provided herein.

14.6 The Supplier is obliged to carry out all necessary and required maintenance and inspection work concerning the Tools as well as all necessary repair work including the procurement of replacement parts at its own expense, in timely manner. The risk of accidental loss of the Tools on the premises of the Supplier shall be borne by the Supplier. The Supplier shall immediately inform HSL of any disturbances regarding the Tools as soon as such events have occurred.

14.7 The Supplier has neither the right of retention nor any other right to keep the Tools.

14.8 The Supplier assigns any claims regarding the Tools against any third party, as well as other claims concerning the Tools, to HSL.

14.9 The Supplier shall be not allowed to relocate the Tools without prior written consent from HSL.

14.10 Clauses from 14.5 to 14.10 shall also apply for the period of spare parts supply according to article 18.

15. INDUSTRIAL PROPERTY RIGHTS OF THIRD PARTIES/BACKGROUND-FOREGROUND RIGHTS, KNOW HOW

15.1 All know-how, patents, technical specifications, input material, models or designs, industrial designs etc. provided by HSL to the Supplier - whether or not protected as industrial designs and/or trademarks - are sole property of HSL and cannot be copied or used by the Supplier except for the fulfillment of its contractual obligations towards HSL. The possibility of using that material for internal research and development is expressly excluded.

15.2 The Supplier shall inform in writing HSL about the prior or current use of any published or unpublished industrial property rights which are owned by it or licensed to it relating to the Deliverables, indicating the reference details of the existing industrial property.

15.3 The Supplier undertakes to indemnify, defend and hold harmless HSL from and against any responsibility and/or damage (even indirect) resulting from all third-party claims arising out or in connection with the delivery of the Deliverables or the performance of Supplier's contractual obligations concerning the infringement of industrial property rights of third parties and shall reimburse HSL for all costs (including attorney's fees) and expenses HSL might incur with respect to such infringements. This clause shall not apply if the Supplier has entirely manufactured the product in accordance with drawings, models or similar descriptions or information that were provided by HSL and the Supplier did not know or was unable to know that industrial property rights of third parties will be infringed. It is also agreed that the Supplier shall indemnify, defend and hold harmless HSL from and against any responsibility and/or damage resulting from causes of action, litigation or proceedings alleging that the use or sale of Deliverables infringes upon or misappropriates any third-party's intellectual property rights.

15.4 The Supplier transfers as from now to the exclusive ownership of HSL the results of any kind of development activity directly or indirectly carried out within the framework of a Supply Contract - including industrial property rights - with the exclusive, timely and geographically unrestricted, irrevocable, assignable and sub-licensable right-of-use (license) free of charge, which also includes the right to any kind of use, duplication and amendment of industrial property rights of any kind on the results of the development work/activities (including the application for registration and the assertion of industrial property rights). HSL hereby consents to the transfer of ownership and accepts the assignment rights. All prices exposed in the Supply Contracts include the payment for such rights and interests.

15.5 The Supplier herewith grants HSL a non-exclusive, assignable, sub-licensable, timely and geographically unrestricted and irrevocable right of use (license) free of charge, concerning the know-how, and/or industrial property rights of the Supplier which existed prior to the any contractual relationship with HSL, necessary to allow HSL to use the result of the development work as described in the previous clause. All prices exposed in the Supply Contracts include the payment for such rights and interests.

15.6 The eventual improvements of the Deliverables suggested/made by the Supplier according to Purchasing Condition are acquired by HSL from origin, as they are intended as the natural development and completion of the Supplier's assignment.

15.7 Any remuneration the employees may be entitled to for having made inventions resulting from their activities under the Supply Contract shall be paid by either HSL or the Supplier depending on who is the employer of those employees. In case of demonstrable and agreed-in-writing joint research activity, the Parties will agree on a case-by-case basis regarding the property of the invention, recognizing to each a share of common ownership of it. In all other respects the clause 15.4 and the relevant Italian laws shall apply.

15.8 All the above-mentioned rights granted to HSL will remain applicable even in the event of a premature termination of the Supply Contract between HSL and the Supplier. These rights granted to HSL relate to all (also partial) results concerning development results at the time of the termination.

15.9 In case of termination of a Supply Contract the Supplier undertakes not to activate any industrial property right which it holds in relation to

the Deliverables covered by the Supply Contract until HSL is able to replace the Deliverables with products from another supplier.

15.10 Before delivery of the Deliverables (including any development work) the Supplier shall not perform any development activity for third parties that is similar or substantially correspondent to any kind of development activity directly or indirectly carried out within the framework of a Supply Contract unless expressly authorized in writing by HSL.

16. HAZARDOUS GOODS AND MATERIALS, COMPLIANCE

16.1 If applicable, together with the offer, the Supplier shall present HSL with a duly completed material safety data sheet in accordance with all the applicable regulations on hazardous goods and materials and an accident procedure sheet (transport) concerning all materials (substances, their contents) and objects (goods, parts, technical equipment, uncleaned packages) that might cause perils for life and health of human beings, the environment or for any objects based on the materials' nature, their characteristics, or their physical condition and, therefore, require, subject to the relevant provisions, a special treatment concerning packaging, transportation, storage, access, and waste management. In case of any changes to the materials or to the legal provisions, the Supplier shall present HSL with an updated data sheet. The Supplier is obligated to annually - proactively and not only upon request - deliver a valid "long-term supplier's declaration" which contains the product number and the code number (index of goods, external trade statistic) to HSL.

16.2 If the Supplier has made changes to the product which it also delivers to HSL, the Supplier shall inform HSL of such changes, irrespective of any other information requirements.

16.3 If applicable, the Supplier has to provide HSL with all information which are relevant for the assessment of effects on the safety and health to end-consumers. The following information shall be provided:

- the attributes of the Deliverable including its content, packaging, assembly instructions, installation, maintenance and term of use;
- the impact on other products, if the Deliverable is expected to be used alongside other products;
- the presentation, marketing, warning notices, instructions for use and recycling information as well as other Deliverables-related information;
- any kind of group of end users which might be exposed to a greater risk if they use the Deliverable.

The Supplier shall make the information required for the registration in accordance with all the applicable laws and, specifically (if applicable) with the European Community Regulation 1907/2006 regarding the registration, evaluation, authorization and restriction of chemicals ("REACH") and, if already registered, the respective registration confirmations available to HSL. This shall also apply to information and/or registration confirmations regarding the EEC European Community Regulation No. 1272/2008 on classification, labelling and packaging of substances and mixtures on the approximation of laws, regulations and administrative provisions relating to the classification, packaging and labeling of dangerous substances ("Regulation (EC) No 1272/2008"). The Supplier shall comply with its duties and obligations under REACH and/or Regulation (EC) No 1272/2008.

16.4 Concerning the delivery of the Deliverables and/or performance of other obligations, the Supplier has to apply the latest state-of-the-art rules/approach, the applicable safety requirements, the provisions generally applicable in the automotive industry (e.g. German Association of the Automotive Industry rules, "VDA-standards") and all provisions under the applicable Law (e.g. End of Life Vehicles Directive, Consumer Goods Regulation, Regulation on substances that deplete the ozone layer, IMDS-security data, etc.) and the agreed technical data and other agreed specifications. As far as the products are electronic parts, the products shall be automotive certified in accordance with "AEC-Q".

16.5 The Deliverables must comply with all the regulations in force in the countries of marketing of the product/vehicles of HSL's Clients to which they are intended. In particular the Supplier, to the extent of its competence, guarantees the compliance of the Deliverables with European and US regulations, as well as with any other regulations indicated in writing by HSL in the Supply Contract.

16.6 The Supplier shall ensure that any authorized subcontractor and all other suppliers of the supply chain, including the original producer, are being bound in accordance with this article.

17. QUALITY MANAGEMENT AND DOCUMENTATION

17.1 The Supplier undertakes to comply with the Quality Management Agreement that shall be agreed on by the Parties for each Order.

17.2 The Supplier shall establish and prove a process-oriented quality-management-system (minimum standard: ISO 9001 in its latest version, however, a IATF 16949 certification in line with the provisions of IATF 16949 shall be achieved). HSL reserves the right to audit the efficiency of Supplier 's quality-management system at any time on Supplier 's premises. The Supplier agrees to comply with PPAP level agreed on into the Quality Management Agreement in force. In case, the automotive manufacturer requires different or additional standards, the introduction will be mutually agreed upon by the Supplier and HSL. Frequent non-conformities damage the fiduciary relationship between HSL and the Supplier, to be intended as breach of contract by the Supplier.

17.3 The Supplier shall make all effort to pass on the obligations according to the previous clause to its suppliers and verify compliance within the supply chain.

17.4 Drawings, CAD-data, description etc., attached or referenced in the Order, shall be binding for the Supplier. The Supplier is obligated to examine them for any kind of discrepancies. In case the Supplier detects actual or assumes potential discrepancies, the Supplier shall immediately inform HSL in writing. If the Supplier does not immediately inform HSL, the Supplier cannot claim at a later stage that such discrepancies exist. The Supplier is solely responsible for drawings, plans and calculations made by the Supplier even if HSL approved them.

17.5 Upon the delivery of tools or equipment to HSL, the Supplier shall also at the latest upon delivery present documentation concerning the handling, service, maintenance and repair of the tools and the equipment. The Supplier shall be responsible for the CE-labelling.

17.6 Concerning special vehicle parts which are marked in the technical documents as such parts or which are defined as special vehicle parts by a special agreement, the Supplier is obligated to document in special recordings when, in which way, and by whom these special vehicles parts were tested and the results of the required quality tests. The records and the documentation of the results must be properly kept and maintained for 15 (in words: fifteen) years by the Supplier and shall be available upon request by HSL. The Supplier must comply with the VDA-script "Special Vehicle Parts at Automotive Manufacturers and their Suppliers, Performance and Documentation" in its latest version. Sub-suppliers of the Supplier shall adhere in the same manner as the Supplier.

17.7 As far as public authorities which are responsible for vehicle safety or emission standards and provisions etc., request to inspect the respective production sites and documents of HSL, the Supplier shall, on HSL's request, grant authorities the identical rights HSL has towards the Supplier and shall support them with Supplier's best efforts.

17.8 The Supplier is obligated to forward all required declarations about relevant origin of the products for customs to HSL in a timely fashion. The Supplier shall be liable for any disadvantages incurred by HSL due to the improper or delayed provision of the required "Supplier-Declaration", unless the Supplier is not responsible for such delay or imperoperness. Upon request by HSL, the Supplier has to prove the details it has given concerning the origin of the products by means of the relevant information sheet confirmed by the competent customs authorities.

18. SPARE PARTS AND LONG-TERM AVAILABILITY

18.1 Supplier shall sell Deliverables to HSL for use as production and as service and aftermarket replacement parts for HSL and its Clients. If the Deliverables are systems or modules, Supplier shall sell to HSL, as ordered by HSL, the system or module or the components or parts that comprise the system or module. The prices for the components or parts shall not, in the aggregate, exceed the price of the system or module less assembly costs. During the period in which HSL is required by its Clients to provide service or replacement parts, Supplier shall sell Deliverables to HSL as ordered to fulfill service and replacement parts requirements, if the order is in progress, the price based on the most

recent pricing specified under the Order shall apply. If applicable, at HSL's request, Supplier shall make service literature and other reasonable materials available at no additional charge to HSL to support HSL's service part sales activities.

18.2 Supplier shall be able to supply the Deliverables over a period of 15 (in words: fifteen) years starting with the end of the delivery of serial parts to HSL. If the product cannot be produced within economically reasonable cost, the Supplier may supply a substitute previously agreed on in writing with HSL. The last price valid for the serial delivery plus additional costs for custom packaging, if any, shall apply to the spare parts for a period of 3 (in words: three) years after the end of (serial) delivery. The price for spare parts shall be determined new after such 3 years on the basis of a cost analysis.

19. HANDING-OVER AND USE OF WORKING APPLIANCES

19.1 Fixtures, samples, models, drawings or other documents ("Working Appliances") that were made by the Supplier in accordance with instructions provided by HSL shall become the property of HSL upon payment by HSL. Effective upon payment, the Supplier borrows those Working Appliances from HSL. These Working Appliances, to which in any cases applies the existing NDA, shall only be used by the Supplier in order to execute the orders made by HSL and not for the benefit of any third party. Without prior written approval by HSL, the access of third parties to such documents, appliances etc. is and shall be prohibited. The Supplier shall, at its own expense and risk, keep the Working Appliances free of charge and in good care. Upon HSL's request, the Supplier shall return them at any time without having any kind of set-off or retention right unless differently agreed in writing by the Parties.

20. CONFIDENTIALITY AND DATA PROTECTION

20.1 Without prejudice to existing NDA (or to future ones):

- a) any technical information (i.e. any type of technical or technological information or documentation as well as any model and/or sample) that HSL communicates or makes available to the Supplier, will remain sole property of HSL and can be used by the Supplier exclusively for Order execution;
- b) the Supplier undertakes not to disclose to anyone else any data and information concerning HSL, HSL's Clients, any design, plant, production, technological aspect and/or anything else learned during relations with HSL, thus ensuring the strict observance of the above also for its employees and collaborators. The drawings, the technical information/specifications, the models, the samples and anything else provided by HSL or processed by the Supplier in collaboration with the same, which connotes in any way the know-how for the realization of the Deliverables, shall be intended as a confidential information (so as to make them inaccessible to third parties);
- c) the Supplier is responsible for the confidential information preservation, bearing all the related risks (including bad faith or lack of diligence of employees/authorized collaborators and/or sub-suppliers, if any);
- d) technical information that the Supplier makes available to HSL or exchanges with it, also through the respective technical offices, shall be intended as part of the Deliverables and, therefore, sole property of HSL;
- e) the Supplier, even after the termination of the supply relationship with HSL, shall: 1) not develop and/or realize, also for third parties, Deliverables using technical information given by HSL; 2) maintain the trade secret for a subsequent period of at least 10 years after the termination of the relationship. The prices exposed in the Supply Contract include the payment for such obligations;
- f) the use of requests for quotations, orders, acceptance of orders by HSL and the connected correspondence as such for promotion purposes is strictly prohibited;
- g) only upon prior written approval by HSL shall the Supplier be allowed to disclose its commercial relations with HSL to third parties/engage in promotional activities regarding the business relationship with HSL. The Supplier shall not

mention, publish or advertise in any way, on its own behalf or on behalf of third parties, its activities with HSL and/or HSL's Clients identity (trademark and logo) without the express prior authorisation in writing from HSL;

20.2 The Supplier shall indemnify, defend and hold harmless HSL from and against any responsibility and/or damage resulting from any failure to comply, even partially, with the commitments provided in this article.

20.3 Any personal data exchanged in connection with the execution of the respective contractual obligations shall be treated by the Parties in compliance with the effective provisions of the laws on data protection.

21. INFORMATION AND CYBER-SECURITY

21.1 Supplier expressly warrants that it will implement and maintain appropriate technical and organizational measures and other protections for the proper security of all information or data belonging to HSL (including, without limitation, not loading any confidential information provided by HSL to the Supplier on a) any laptop computers or b) any portable storage media that can be removed from Supplier's premises unless in each case such data has been encrypted and such data is loaded onto the portable storage media solely for the purpose of moving such data to off-site storage.

21.2 Supplier will use commercially reasonable efforts to prevent password theft or loss or unauthorized access to or use of any data or information of HSL and Supplier shall notify HSL promptly of any password theft or loss or unauthorized access or use of any data or information of HSL. Supplier will enforce safety and physical security procedures with respect to its access and maintenance of confidential information or data of HSL that are a) at least equal to industry standards for such types of locations, and b) which provide reasonably appropriate technical and organizational safeguards against accidental or unlawful, loss, alteration or unauthorized disclosure or access to confidential information or data of the HSL, Supplier warrants that it shall have processes and security procedures in place to ensure that its information systems are free from viruses and similar defects. Supplier's systems shall not contain any virus, Trojan horse, worm, time bomb or other computer programming routine, device or code that could reasonably be anticipated to damage, detrimentally interfere with, surreptitiously intercept or expropriate any system, data or information of HSL.

21.3 Supplier's information systems shall not contain any malware, backdoor or other technological routine, device or code that could adversely affect the security or confidentiality of HSL's systems, information or data. Supplier will take all reasonable measures to secure and defend its location and equipment against "hackers" and others who may seek, without authorization, to modify or access Supplier's or HSL's systems or the information found therein. Supplier will periodically test its systems for potential areas where security could be breached.

21.4 Supplier agrees that it shall immediately inform HSL by telephone call (and then in writing) of any cyber-security incident, which impacts access to data or information of HSL, as soon as reasonably possible but in any event within twenty-four (24) hours of Supplier discovering such cyber-security incident.

21.5 Supplier shall a) provide HSL with a summary of known information about such cyber-security incident, b) exert commercially reasonable efforts to attempt to remedy the effects of such cyber-security incident, c) shall provide reasonable information about the cyber-security incident and response upon request by HSL, and d) within two (2) weeks of completion of the investigation of the cyber-security incident, provide a report to HSL outlining: a description of the incident, the cases of such events and how Supplier has mitigated against future events of a similar kind, the timeline of the incident, the suspected perpetrators, what information or data of HSL may have been affected, or any financial impact to HSL. Any corrective actions identified as contributing to cyber-security incident shall be implemented no later than two (2) months after the completion of the investigation for such incident.

21.6 Supplier shall indemnify and hold HSL harmless from and against all liabilities, specifically losses and damages, arising from any information or cyber-security incident of Supplier's information systems. If HSL has suffered a loss as a result of any cyber-security

incident of Supplier's system, Supplier shall only be entitled to receive payment for deliveries after and to the extent of, and in proportion to, completion of appropriate investigations related thereto by HSL and subject to all indemnification obligations of Supplier, and all set-off rights of HSL related to such cyber-security incident.

21.7 HSL has the right, either directly or through a reputable third party engaged by HSL at its own expense, to visit Supplier's premises once per calendar year in order to review and audit on Supplier's business operations related to the Supplier's goods or services in terms of technical infrastructure, information or data systems interaction, organization, quality, quality control and personnel engaged in providing goods and services for HSL. HSL shall perform the audit in compliance with the applicable law.

21.8 HSL shall have the right, depending on the nature and the need for protection of the data in connection with the manufacturing and delivery of the product, to demand adequate safeguards and proof of an appropriate level of information security within the Supplier's business as required by the OEM, in particular by providing appropriate certificates (eg. ISO/IEC 27001 "Information technology – Security techniques – Information security management systems – Requirements") or certification according to the VDA model TISAX (Trusted Information Security Assessment Exchange). HSL and the Supplier may agree on an appropriate time frame for the initial certification of a site under TISAX.

22. CONTRACT ASSIGNMENT, SUBCONTRACTING AND AUTONOMY, COMPLIANCE

22.1 Given the personal nature of the Supplier's service, the Supplier shall carry out all activities in favor of HSL using its own independent organization of personnel and means, also undertaking to hold HSL harmless and free from any contribution, social security, welfare and tax claim by its employees and collaborators. Supply Contracts cannot be sub-contracted in whole or in part by the Supplier without the prior written consent of HSL. In case of non-fulfillment of the aforementioned obligation, HSL will have the right to terminate the Supply Contract. If HSL consents the subcontracting, the Supplier remains in any case liable for any breach of the Supply Contract and shall insert in its contract with the sub-supplier the same right and obligations as those of the Purchasing Conditions.

22.2 To be able to legitimately subcontract all or part of the supply to a third party (considering that HSL has the right not to accept/consent) the Supplier shall: a) give HSL a preliminary communication in writing about the identity of the third-party supplier and the location of the site where the work will take place; b) be solely responsible for payments to the third-party supplier (except if differently agreed in writing with HSL). It is expressly agreed that HSL has no obligation towards the Supplier other than the payment of the agreed price.

22.3 The Supplier shall submit to the HSL's acceptance - upon acceptance of HSL's Orders - a specific document describing the logistical flow with which it intends to organize its production process, highlighting the possible risks in this flow (such as, for example, production abroad in countries at risk, interruption of transport, procurement of raw materials, etc.). Furthermore, the Supplier undertakes to update this document whenever changes occur in its logistic-production process.

22.4 Should a Supply Contract be qualified as "Industrial Subcontracting" (within the meaning of the Italian Law n° 192/1998) the Supplier, if authorized to subcontract according to Purchasing Conditions, must not subcontract the supplies in excess of 50% unless the Parties have agreed in writing on a larger measure. If applicable, the Supplier must also comply with all the applicable Italian Laws, including the interposition of labor one (Italian Law n° 1369/60).

22.5 The Supplier declares, undertakes and guarantees, for the entire duration of this agreement, to: a) employ personnel in accordance with the provisions of the law and (if and when applicable) the national contract in force; b) comply with all fiscal rules/laws, as well as to pay compulsory social security and insurance contributions, also according to legislative provisions in force, regarding joint and several liability between the HSL and the Supplier; c) comply with all applicable provisions for the protection, safety and physical integrity of the personnel as well as to fulfill any other obligation and charge related

with the employment relationship including (if applicable) those deriving from the following provisions of law (Italian DL n° 81/2008 and DPR 30/6/1956 n° 1124: Consolidated text on the provisions for compulsory insurance against accidents at work and occupational diseases). Any amount that HSL may be required to pay for any non-fulfillment of the Supplier to the content of this article - including legal expenses - must be immediately reimbursed by the Supplier and/or will be offset with any credits of the latter.

22.6 Italian Suppliers shall exhibit, upon HSL written request: a) their DURC (if applicable); b) copies of contributive reports mod. DM10 relating to personnel employed (if applicable); c) copy of the "Uni Emens" files (if applicable). HSL may suspend payments to the Supplier in case of incomplete and/or incorrect documentation or in case of suspected nonfulfillment by the Supplier of all its tax and social security obligations. Suppliers' credits will be payable by HSL only in case of correct fulfillment of the remuneration, social security, insurance and tax obligations towards the personnel employed for the execution of the Orders.

22.7 Neither credits and/or rights from any Supply Contracts nor the same Supply Contracts can be transferred/assigned/delegated to third parties by Supplier, not even partially, without the express written consent of HSL.

23. WITHDRAWAL AND EXPRESS TERMINATION CLAUSE

23.1 HSL is free to withdraw from Supply Contracts, with immediate effect, even if its execution has begun, paying to the Supplier only for the undisputed work already done and for the proven expenses connected to it sustained until the termination of the Supply Contract. In these cases, the Supplier shall immediately deliver what possibly carried out in executing the contract. Any further liability of HSL for damages and/or indemnities of any kind is excluded to the maximum extent permitted by the Law.

23.2 Without prejudice to the further hypotheses of termination provided for in the Purchasing Conditions, HSL has the right to terminate it and/or any Supply Contract, according to art. 1456 of the Italian Civil Code, maintaining the right to be restored for direct and indirect damage suffered, if the Supplier does not fulfill even one of the obligations stated in articles: 4, 5, 6, 7, 8, 10, 13, 14, 17, 18, 20, 22. It is intended that the amount of the compensation for any damage caused by Supplier will be calculated also taking into account the amount of potential direct/indirect damages claimed by HSL's Client/s. Moreover, HSL has the right to terminate any Supply Contract under the conditions indicated above and always maintaining the right to be restored for all and any direct and indirect damage suffered if: a) the Supplier applies for insolvency or non-judicial settlement proceedings or other judicial proceedings are applied for; b) the Supplier enters or offers to enter into any transaction which includes a sale of a substantial portion of its assets used for production of the Goods or supply of the Services that would result in a change in control of Supplier unless HSL agrees in writing to the operation.

23.3 Any withdrawal/termination notice must be sent to the counterparty by PEC (if applicable) or by recorded-delivery letter with advice of receipt.

23.4 In case of withdrawal or termination of any Supply Contract for any cause occurred the Supplier shall immediately return and/or deliver to HSL all the drawings and Working Appliances (and in general all the Deliverables and anything else in its possession relating to the contractual relationship) at simple request of HSL, renouncing the Supplier as for now to propose any exception.

23.5 Upon the expiration or earlier termination of any Purchase Order, for any reason, or during any period of Supplier default, Supplier agrees to take all actions reasonably necessary to ensure that there is no interruption in the Deliverables supply to HSL. As part of such obligation, Supplier agrees to take any such actions as may be reasonably requested by HSL to accomplish the transition from Supplier to an alternative one, including, without limitation: (a) provide a sufficient bank of goods covered by the Order to ensure the orderly transition to any alternative supplier chosen by HSL; (b) provide to HSL all HSL and/or HSL's Clients' properties in good condition, reasonable wear and tear excepted; (c) assign to HSL any or all supply contracts or purchase orders for raw material or components relating to the

Purchase Order; (d) sell to HSL, at fair market value, any or all perishable tooling inventory relating to the Order, to the extent not already paid by HSL, being intended that HSL has a purchase option on all the semi-finished products and raw materials purchased by the Supplier for the processes covered by the Supply Contract, taking into account the production programs and not the forecast ones, since the latter must be understood, for the purposes of this clause, as merely indicative. The term "alternative supplier" expressly includes, being not limited to, HSL-owned facilities.

24. FORCE MAJEURE

24.1 The Supplier is not responsible in case of any delays in supplies due effectively and solely to unforeseeable events and completely outside any possibility of control (pandemics, natural disasters, riots, sudden strikes etc., with the exclusion of causes attributable to the delay/default of any authorized subcontractors).

24.2 If the force majeure (as here defined) continues for a period such as to delay delivery of the Deliverables by more than 15 (fifteen) working days, unless differently agreed in writing, HSL may withdraw from the relevant Supply Contract without consequences and art. 23.4 applies. In any case HSL shall be released from its obligations for the duration and to the extent of force majeure events.

24.3 In any case, the Supplier shall immediately inform in writing HSL of the cause of force majeure arising and adopt the most appropriate measures to limit the effects.

25. MISCELLANEOUS

25.1 Any possible tolerances of HSL, even repeated, to any default by the Supplier shall not constitute a precedent and/or affect the validity of the general or particular clauses not applied.

25.2 In case of any problem that may lead to the suspension of the supply by the Supplier, the same undertakes not to suspend the supply for at least 180 days, immediately agreeing in writing with HSL the terms and procedures for the provisional management.

25.3 Any communication between the Parties relating to this contract, including, but not limited to, orders and order confirmations, will be considered valid if sent via e-mail messages to the following addresses and to the attention of the following contacts:

for HSL

e-mail and/or PEC: purchasing@hsl-italia.com, hsl-italia@pec.it;
contact person: name and surname;

for the Supplier

e-mail and/or PEC: address; contact person: name and surname.

25.4 The Purchasing Conditions constitute the complete agreements entered into between the Parties regarding its subject matter and exceed and cancel any other previous declaration, communication or agreement existing between the same Parties in relation to it. Any change to Purchasing Conditions shall not be valid and binding unless expressly agreed in writing and signed by both Parties.

25.5 Non-written (verbal) agreements made prior to, at or after the conclusion of a Contract and/or any Order, especially subsequent amendments or changes of the Purchasing Conditions (including this in-writing-provision-clause), as well as any kind of ancillary or collateral agreements are subject to express written confirmation by HSL.

25.6 In case one or more of the Purchasing Conditions is found to be not valid or unenforceable for legal reasons, the validity of the remaining provisions will not be affected.

25.7 Each Party act as independent owners of the separate processing of personal data relating to third parties, carried out for the execution of this agreement/Supply Contracts and undertake to comply with the provisions of EU Regulation no. 2016/679 "General Data Protection Regulation" and the applicable Italian legislation and to keep each other harmless and indemnified for any damage, charge, cost, expense and/or claim of third parties that may arise from the violation of the obligations due to each according to the aforementioned legislation.

25.8 The official language of this Agreement is Italian, the English formulation is only for the Supplier's convenience. If there is any difference in interpretation between the Italian version of these conditions and the English one, the Italian version will prevail.

25.9 Supplier shall comply with all applicable laws and regulations and shall obtain all applicable permits and licenses required in connection with its obligations under this agreement. In particular, the Supplier

shall: (i) fully comply with all applicable data protection, privacy, and similar laws and regulations; (ii) fully comply with all applicable export laws and regulations; (iii) fully comply with all applicable anti-corruption and anti-bribery laws. Supplier warrants and represents that no compensation that may be due by HSL will be used for any activity or purpose where there is a reasonable belief that any of the applicable anti-corruption and anti-bribery laws would be violated. Supplier also warrants and represents that none of its principals, officers, directors, shareholder, employees, or agents has performed or will perform any act related to or arising out of its relationship with HSL that would constitute a violation, or present a credible risk of a violation, of any of all applicable anti-corruption and anti-bribery laws.

25.10 Provisions of Purchasing Conditions which by their nature should apply beyond their terms will remain in force after any termination or expiration of Purchasing Conditions, including, but not limited to, the following provisions: Art. 7 (Stocks); Art. 8 (Warranty); Art. 9 (Inspection And Remedies); Art. 10 (Product Liability, Indemnification, Insurance); Art. 15 (Industrial Property Rights Of Third Parties/Background-Foreground Rights, Know How); Art. 18 (Spare Parts And Long-Term Availability); Art. 20 (Confidentiality And Data Protection); Art. 25 (Miscellaneous).

26. APPLICABLE LAW AND EXCLUSIVE JURISDICTION

26.1 The validity, interpretation and performance of this Purchasing Conditions as well as of each Order and Supply Contract between HSL and the Supplier shall be governed in all respects by the Italian Law, without giving effect to conflicts of law principles that would result in the application of other jurisdictions law. The application of laws on the international sale of goods, in particular the Convention of the United Nations of 11.04.1980 on Contracts regarding the International Sale of Goods (CISG) is expressly excluded.

26.2 Provided that Supplier's place of business is in Italy, should a Supply Contract be qualified as "Industrial Subcontracting" (within the meaning of the Italian Law n° 192/1998), the parties shall attempt to resolve all disputes concerning the interpretation or performance of the relationship by means of conciliation at the Camera di Commercio, Industria e Artigianato e Agricoltura (Chamber of Commerce, Industry and Agriculture) for the territory in which the Supplier's principal place of business is located. If a conciliation is not reached within 30 (thirty) days, the dispute in question shall be resolved exclusively by the district court of Trento - Italy (Tribunale di Trento).

26.3 Without prejudice to the previous clause, all disputes arising from or in connection with this Purchasing Conditions as well as each Order/contractual relationship between HSL and the Supplier shall be settled by the district court of Trento - Italy (Tribunale di Trento), which has exclusive jurisdiction. HSL is in any case entitled, upon its sole discretion, to bring an action against the Supplier before the courts of competent jurisdiction for the place in which the Supplier's registered office (or other offices or warehouses) is/are located.

Place, date

Stamp and signature of the Supplier

Also according to articles 1341 and 1342 of the Italian Civil Code, the Supplier specifically accepts and approves the following clauses: 3.6 Orders Acceptance; 3.7 Modification acceptance by HSL; 3.10 legal value of the estimated costs; 3.13 Limitations to the marketing of Deliverables; 3.14 Limitations of liability for HSL; 5.6 Payments in case of partial delivery or delay; 5.7 Condition of payments; 5.8 Suspension of payments; 6.3 HSL options in case of delivery delay; 9.2 Waiver of the exceptions relating to the delayed complaint of Defects; 9.6 Warranty extension; 10.3 Insurance contracts with leading companies; 13.1 No contractual right assignments; 13.2 Set-off and retention limitations; 14.2 Property of the Tools; 14.3 Subcontracted tooling; 14.7 No right of retention on Tools; 14.10 Extension of the duration of some obligations on tools; 15.8 Extension of the duration of some obligations on IP; 15.10 Development activities for third parties; 19.1 no set-off or retention rights on working appliances; 20.1 Third parties relationships under NDA; 22.1 No subcontracting; 22.2



Eventual consent on subcontracting; 22.7 no credits/right assignment to third parties; 23.1 HSL's right of withdrawal; 23.2 Express termination clause; 23.4 No exceptions on returns/delivery after withdrawal; 24.2 HSL withdraw right in case of prolongation of causes of force majeure; 25.2 No suspension of the Supply; 25.10 Extension of the duration of some obligations; 26.1 Applicable law; 26.2 Amicable solution in case of "Industrial Subcontracting"; 26.3 Jurisdiction of the court of Trento.

Stamp and signature of the Supplier
