

GENERAL SALES CONDITIONS – PANZERI S.p.a.

1 Scope of application

These General Sales Conditions apply to all contracts concerning the supply of goods stipulated between Panzeri S.p.A. (with registered office in Italy, 23892 Bulciago, Via Statale Briantea 13, tax code 01447610138) and its Customers (hereinafter referred to as the Purchaser) and prevail over any possible purchasing conditions by the Purchaser.

The acceptance by the Purchaser of Panzeri's offer or order confirmation, even by means of the simple execution of the contract through conclusive behavior, implies for the Purchaser the acceptance of these General Sales Conditions.

Any exception to these General Sales Conditions that should be agreed for individual supplies will oblige Panzeri S.p.A. only if specifically approved in writing.

The principles established by the Code of Ethics approved by Panzeri S.p.A. and its subsequent amendments and integrations apply to the goods supply contracts.

If an Order fails to correspond in one or more respects to the Order Confirmation, the contract shall be deemed to have been executed subject to the conditions set forth in the Order Confirmation, unless the Execution of the Supply commenced without the Supplier having transmitted an Order Confirmation.

Under no circumstances may the Customer suspend or cancel an Order after the contract conclusion, except in a case of Force Majeure.

Any request by the Customer to amend the contract must be accepted by the Supplier in written form. Without written acceptance, the previously agreed contractual conditions shall be deemed to remain unchanged.

2 Orders

The supply contracts that Panzeri S.p.A. will stipulate with the Purchaser may be: Closed Orders; Open Orders, Program Orders.

With a Closed Order, the parties agree to supply a specific type of Product with an exact indication of quantity, price and delivery, which can take place in a single solution or in several predetermined deliveries.

With an Open Order, the parties agree a Product type and the unit price, with the indication of the Product quantity that the Purchaser estimates as consumable within a set time. The Purchaser's sole obligation is to complete the withdrawal of the entire quantity within the term of duration of the contract, also with distributed deliveries whose single quantity shall regularly be communicated by the Purchaser to Panzeri S.p.A. with an agreed or anyway suitable advance.

The Customer undertakes to send the Supplier individual Delivery Releases for an Open Order at least 45 days before the delivery date envisaged in the Open Order; if the Customer fails to observe this deadline, the Supplier shall not be held responsible in the event of late delivery of goods covered by the Delivery Release

Should more than 50% of the Open Order quantity remain uncalled in the last month of the Contract duration, the agreed lead time shall double or be defined again between the parties.

If the Customer transmits a written communication requesting to amend the terms and conditions of an Open Order, the Supplier is free to decide whether to refuse or accept the request. The Supplier may also make the acceptance of such a request conditional on the payment of compensation or on amendments to the unit prices of Products and/or Services, duly communicating this to the Customer. Unless the Customer gives written notice refusing this, within 7 days of this communication, the Customer shall be deemed to have accepted - with effect from the next delivery - the payment of compensation and/or changes to the unit prices of Products and/or Services.

If the Supplier's proposal to pay compensation and/or to amend the unit prices following a change to the Open Order is rejected, then all conditions originally envisaged by the Open Order shall remain applicable.

With a Program Order, the parties agree on a type of Product and its unit price, while indicating a supposed quantity of Product equal to the expected requirement of the Purchaser in relation to a given period, along with the possible indication of a minimum and maximum quantity of Product supplied with each delivery. The Purchaser will then transmit the individual call-off orders for each subsequent delivery.

The Purchaser undertakes to communicate any phase-out or substantial changes in volumes with respect to those foreseen in the delivery program, with an agreed or anyway suitable advance.

In such cases, the Purchaser undertakes to withdraw and pay for the Products that are already in Production and for the raw materials stored at Panzeri S.p.A. or that Panzeri's suppliers have reserved for it, in order to execute the Program Order received by the Purchaser.

In all types of Orders, Panzeri S.p.A. will deliver the Product on the terms agreed or congruent, which however are not to be considered essential, which will start from the receipt of the order and which must take into account the suspension of production during holidays, summer vacations and Christmas time.

Panzeri S.p.A. will guarantee the Product supply within the set time only up to the maximum quantity limits that have been agreed upon. Any exceptions and/or changes to Closed, Open or Program Orders will be binding for Panzeri S.p.A. only if accepted in writing by the latter.

In no case shall the Purchaser withdraw from the supply contract. Should this occur, Panzeri S.p.A. will be entitled to charge the Purchaser, in full and according to the agreed price, any Products already manufactured before receiving the withdrawal notice. Moreover, for Products still to be manufactured, Panzeri S.p.A. may charge all the costs sustained or to be sustained as well as any suffered damages, which, by way of example and not exhaustive, will include those for the procurement of the raw material, the preparation of the tooling, the development and planning costs, as well as any earning loss.

3 Delivery

The date set for the Product delivery is to be considered indicative; therefore, the term is agreed as non-essential, except for the Purchaser's right to forward a formal warning to comply, pursuant to and for the purposes of art. 1454 of the Civil Code.

The Supplier shall be obliged to observe the scheduled delivery times agreed with the Customer for the provision of Products and Services. In no case, however, shall the date of delivery be deemed essential and binding in order for the Order to be correctly executed, and the Customer expressly waives the right to request contract termination and/or compensation for loss in the event of non-compliance with the date of delivery of Products and/or Services.

Unless the Parties otherwise agree in writing, if the delivery times are specified in days and/or weeks and/or months and/or years (and thus without a specific calendar date), then the later of the following dates shall apply:

- date of the Order Confirmation;
- the date on which the Customer accepts, if required, all materials, equipment and performance specifics;
- the date on which the Customer fulfils all preliminary contractual or legal obligations (e.g. import licences, authorisations, etc.).

The delivery date is met from the moment Panzeri S.p.A. makes the Product available for collection at its plant in Bulciago, Italy.

The Purchaser cannot refuse Product deliveries even if the quantities are lower than the minimum expected or agreed.

The Product delivery takes place ex-works at Panzeri S.p.A. in Bulciago, Italy, and is considered as executed as soon as the Purchaser, its carrier or its appointed forwarder collect the Product.

From this moment, the Purchaser assumes all the obligations, risks and responsibilities relevant to the Product, also in relation to any subtraction and/or damage that the same may suffer or cause to third parties, thus relieving Panzeri S.p.A.

The following is the procedure for the delivery of Products:

- a) when Products are ready for delivery, the Supplier shall send the Customer a written notice of "goods ready for delivery";
- b) the Customer shall collect the Products by the deadlines indicated in the "goods ready for delivery" notice;
- c) if the goods are not collected in strict compliance with the "goods ready for delivery" notice for reasons not attributable to the Supplier, the Customer will be responsible for covering any associated cost or expense incurred by the Supplier on any basis whatsoever (storage, insurance, handling, storage, etc.). Accordingly, the Parties agree that the Supplier will be entitled to invoice the Customer for the amounts in question; this invoice shall be paid in compliance with the terms and conditions

If the Supplier should decide to ship the Products itself, the associated risk shall be transferred to the Customer at the moment when they are delivered to the first carrier or freight forwarder.

The Purchaser must provide for the collection of the Product within 15 days from the receipt of Panzeri's shipment advice, under penalty of compensation for any possible damages resulting from the occupation of the company space due to delayed collection. After this deadline, Panzeri S.p.A. is entitled to invoice the Product to the Purchaser and require the payment.

The Product is delivered in dedicated packaging or containers prepared by Panzeri S.p.A.. If the Purchaser, after their collection, replaces them, Panzeri S.p.A. shall not be liable for any damages that may occur to the Product, even during transport and storage.

The Customer shall be responsible for ensuring full and proper compliance with applicable rules on the destruction and disposal of any non-returnable packaging used by the Supplier.

The Parties shall agree in writing any use of packaging “for recovery”, and in this case too the Customer shall be solely responsible for the correct use and maintenance of such packaging.

3.1 Tolerances on quantities of Products

Unless the Parties agree otherwise, the quantity of Products delivered is subject to the tolerances indicated in **Annex A)** to these General Conditions.

3.2 Force majeure

In any case of Force Majeure, the Supplier may suspend its supply obligations and, in general, its contractual commitments with the Customer.

The Supplier shall promptly notify the Customer in writing if it intends to exercise this right, indicating the cause of Force Majeure invoked and, if possible, the duration of the anticipated suspension of contractual obligations.

If the cause of suspension should last for longer than 15 business days, the Customer may temporarily procure any needed Products and/or Services from another supplier, without prejudice to the Customer's obligation to repurchase Products and/or Services from the Supplier as soon as the Force Majeure cause has ceased.

The Supplier undertakes to notify the Customer in writing when the cause of Force Majeure has ceased, and also specify the date on which deliveries of Products and/or Services are expected to resume.

If the cause of Force Majeure should continue for more than 120 days, the Supplier and the Customer shall meet to consider the possibility of officially terminating the supply contract. The Customer shall, in any event, withdraw and pay for all Products in the Supplier's inventory, for the cost of semi-finished products and the cost of special raw materials that cannot be otherwise used.

The Customer shall notify the Supplier, in good time, of any fact or circumstance that could constitute Force Majeure and that could undermine the delivery or collection of Products. In this event, the Customer shall also inform the Supplier of how the Products may be delivered, potentially to a location other than the agreed location, in this event undertaking to cover any higher costs which the Supplier indicates to be incurred, but adopting any suitable measures in order to facilitate the withdrawal or storage of Products produced by the Supplier in a way that minimises the inconvenience to the Supplier.

In no circumstances may the Customer invoke Force Majeure in order to suspend payments for supplies.

4 Price

The price charged will be the one agreed between the parts, plus VAT if applicable.

Should there be a documented increase in the labor, industrial or raw material costs during the supply relationship, Panzeri S.p.A. is entitled to apply an equal increase on the sales price for future deliveries.

The Supplier may vary the prices of Products and/or Services after the Order has been accepted, if the prices of raw materials and/or production costs vary or in the event of altered market conditions that affect the supply.

If the Customer does not challenge it, the new price shall be binding with effect from the date of the first Product or Service delivery after the variation is notified.

5 Claims

Any dispute about visible defects of the packaging or of the Product itself, as well as differences in weight or quantity compared to the agreements, shall be immediately noted by the Purchaser on the delivery note and forwarded to Panzeri S.p.A. for the necessary controls. Failing this, the Product is considered accepted.

If the CMR or the delivery note report no reservations, then the Products shall be deemed to be accepted in terms of their type and quantity.

If the supply involves an intra-EU transfer of Products, the Customer undertakes to furnish the Supplier with all documentation provided for by Article 45-bis of Regulation EU 282/2011, as amended by Implementing Regulation no. 2018/1912, which the Supplier requires to avail of a VAT exemption.

Hidden defects or faults shall be reported within 8 days from their detection and in any case no later than 30 days from delivery.

Unless otherwise agreed, the Supplier guarantees the functioning of the Products supplied for 1 year from the date of delivery.

The warranty shall validly apply only if the Products are used correctly and the malfunction is not caused directly or indirectly by the specific manner in which the Customer used the Products.

The Parties agree that the warranty shall not apply in respect of Customer errors in selecting and purchasing Products.

The Purchaser who has notified a defect must abstain from working the claimed Product and, upon request of Panzeri S.p.A., will have to return it at the Bulciago plant, at its own expenses, unless Panzeri S.p.A. authorizes in writing to scrap it.

Panzeri S.p.A., after receiving the Product, shall decide at its sole discretion to rework it, to remove the defects or to replace it.

The Purchaser cannot suspend the payment of Products for which he has reported defects, unless Panzeri S.p.A. has not communicated its intention to replace it. Furthermore, the Purchaser shall not interrupt the collection and the payments of the remaining quantities foreseen in confirmed orders. Additionally, the notified defects do not entitle the Purchaser to withdraw from any running contract nor to put on hold the payments of previous deliveries.

Should the defect prove to be confirmed, Panzeri S.p.A. shall only be responsible within the limits of the value of the supplied Product and can decide to compensate such value by replacing or reworking the defective Product, so as to deliver a Product free from defects to the Purchaser.

On the other hand, should the defect prove not to be confirmed, Panzeri shall be entitled to charge the Purchaser with 200€ for the file handling costs.

No other costs, such as for example, transport costs, damages caused to third parties, both to things and to people, Production stops, administrative expenses in handling complaints, laboratory tests, damages of image and the like shall therefore be charged to Panzeri S.p.A..

The Supplier shall facilitate and ensure the traceability of the Product's manufacturing batch up to the date of delivery to the Customer. The Customer shall maintain this traceability and shall ensure that its purchasers and/or users commit themselves to doing so as well.

Furthermore, the Supplier shall organise and implement the supply in compliance with regulations applicable in the country where the Supplier is based.

Without prejudice to the provisions of the contract, the Supplier shall not be liable for defects in Products when these are attributable to:

- materials provided by the Customer or by third parties indicated by the Customer;
- design or drawing errors when such activities are carried out by the Customer or by third parties indicated by the Customer;
- use of equipment indicated or delivered by the Customer or by third parties indicated by the Customer;
- treatment or handling carried out without the Supplier's consent;
- production errors when the process has been indicated and validated by the Customer;
- incorrect, unauthorised, abnormal, atypical or special use of Products;
- incorrect or deficient storage, transportation, preservation or handling of Products;
- normal Product wear and tear or deterioration based on events attributable to the Customer or to third parties;
- failure to observe the Supplier's recommendations, instructions or suggestions regarding the maintenance, storage or use of Products.

6 Responsibility about Product suitability

Panzeri S.p.A. undertakes to manufacture the Product according to the Customer's Specific Requirements, while the Purchaser assumes responsibility about the Product suitability for the intended use, thus exempting Panzeri S.p.A. from any responsibility regarding safety, health and environmental regulations.

The Supplier shall not, in any event, be held accountable for the Product being unsuitable for a specific use by the Customer or by third parties.

7 Payment

The Purchaser commits to pay the supplied Product within the last day of the payment term agreed upon with Panzeri S.p.A., starting from the date of collection through the Purchaser itself or through its shipper or carrier.

Should the collection not have taken place, the starting date for the payment term shall be the 15th day from the shipment notice sent by Panzeri S.p.A. to inform the Purchaser that the Product is ready for collection. The payment cannot be suspended for any reason, except in case of defects that have led to the replacement of the Product and limited to the Product to be replaced. In this case, the new payment term will start from the delivery date of the replaced Product.

In the event of non-payment within the agreed terms, an interest rate as per Legislative Decree 231/2002 will be applied to the amounts due, starting from the expiry date of the payment deadline to the actual balance.

Is the Purchaser not punctual in the payments of the supplies, regardless of the default extent, Panzeri S.p.A. will be entitled to suspend the Production and the delivery of the Products, or to terminate the supply contract. Furthermore, Panzeri S.p.A. is entitled to charge the Purchaser with the full price of any Products already manufactured - that Panzeri S.p.A. can be hold until they are paid - and/or the costs of those still to be manufactured, both incurred or still to be borne. These may be - by way of example and not exhaustive - equipment procurement or preparation, planning, development and loss of earnings.

If payment is delayed, the Supplier shall be entitled at any time to issue an invoice specifying any amounts accrued in the meantime by way of interest and costs. The Customer shall immediately pay the amount specified in this invoice.

Where an invoice for interest and expenses is issued the Supplier may, at its sole discretion, offset any payments subsequently made by the Customer against the balance of this invoice and, only for the remainder, against payment for Products and/or Services supplied.

If the Customer's default is repeated or serious, the Supplier may at its discretion suspend the delivery of Products or the performance of Services and/or refuse requests for further deliveries, and/or declare the contract automatically terminated in law.

7.1 Customer receivables

The Customer may not, for any reason whatsoever and without the Supplier's consent, issue debit notes or invoices for receivables claimed from the Supplier, or charge the Supplier for amounts in respect of which the latter has not acknowledged itself in writing to be the debtor.

The Customer shall not offset or withhold sums payable to the Supplier, unless authorised in writing to do so.

If the Customer has receivables owing to it, the Supplier is expressly authorised to offset these Customer receivables against the Supplier's receivables based on supplies it has made to or arranged with the Customer.

7.2 Retention of title clause

Products are supplied under the "Retention of Title" formula, so that the Supplier shall remain the owner thereof until the Customer has paid the relevant price in full.

The Customer shall take all necessary steps to safeguard the Supplier's property rights and shall be liable for anything that happens to the Products until they have been paid for in full.

Additional reasons for Panzeri S.p.A. to possibly suspend deliveries or withdraw from the supply contract could be the Purchaser filing for bankruptcy, the request for admission to insolvency or equivalent procedures, or if the Purchaser has been protested or otherwise found in a situation of insolvency.

8 Extended retention of title

The Products are sold subject to retention of title pursuant to art. 1523 of the Civil Code and will therefore remain the property of Panzeri S.p.A. until full payment of their price.

Panzeri S.p.A. authorizes the Purchaser to sell the asset to third parties at market conditions. In this case, however, the Purchaser, while informing the third Purchaser, shall immediately transfer his claim on the third party to Panzeri S.p.A., which is therefore entitled to seek payment from the third Purchaser.

9 Confidentiality clause

The Purchaser is bound to confidentiality about any information acquired during and due to the business relationship, such as documents, data, details, technical and financial news, projects, drawings, etc. Therefore, the Purchaser shall not disclose to third parties any information relating to the Products supplied by Panzeri S.p.A., their characteristics or Panzeri S.p.A. itself, which it became aware of during the contractual relationship.

The implementation of the supply shall not constitute and shall not under any circumstances be construed as a form of transfer, assignment and/or licensing and/or any other type of grant to the Customer of industrial property rights or know-how related to Products and/or Services.

The confidentiality obligation agreed between the Parties shall extend to the post-termination period and last for 5 (five) years, or until such time as the Confidential Information enters the public domain, whichever happens sooner.

Notwithstanding the foregoing, either Party may disclose Confidential Information received if required to do so by: i) applicable legislative and/or regulatory provisions; ii) court orders; iii) orders of a different authority which are binding on the Recipient Party. The Parties agree, however, that the Recipient Party shall promptly notify the other Party in writing if any of the events indicated in this subsection should occur, insofar as this is lawfully permitted by applicable legislative and/or regulatory provisions, official measures and/or orders on which the disclosure is based.

9.1 Samples

All Samples are and will remain the property of the Supplier; the Customer may only use them for the purposes indicated in the contract with the Supplier.

The Parties agree that:

- the Customer shall be the sole Party responsible for the safekeeping of the Samples;
- the Customer shall return the Samples to the Supplier: i) within 5 days from the termination date of the associated contract, on whatever basis this should occur; ii) within 15 days from the date when the Supply requests them, on whatever basis;
- the Customer shall ensure that Samples are kept strictly confidential and secret;
- the Customer shall not dispose of Samples in any way, including in order to perform tests directly or indirectly, without the Supplier's prior written approval;
- in the event of an unauthorised use of Samples, the Supplier will be entitled to suspend the execution of all or some existing supplies and to demand the return of the Samples, without prejudice to its entitlement to seek compensation for any loss incurred.

9.2 Equipment

Unless otherwise agreed in writing between the Parties, the Supplier shall design and manufacture Equipment using materials and methods it deems most appropriate, and the Supplier shall retain exclusive title thereto.

The Supplier may, at its discretion, charge the Customer all or some of the costs and expenses incurred for the design and construction of the Equipment and/or request the Customer to share in those costs, provided that - in this case too - the Supplier shall retain full and exclusive title to the Equipment, unless the Parties agree otherwise in writing.

Unless the Parties agree differently in writing, the Supplier shall be free to use Equipment also for supplies other than those which are intended for the Customer.

9.3 Guarantee against infringement of industrial property rights

For Products manufactured according to the Supplier's design, the Customer shall, when sending the request for quotation and/or the Order (and in any case before the supply is implemented), inform the Supplier in advance of the territories where the Products will be marketed. Only if the Customer gives the Supplier such information shall the Supplier guarantee to the Customer that no patents and/or other exclusive rights of third parties exist which could prevent to produce and sell such Products, only in respect of the territories indicated.

If the Customer markets these Products in territories other than those indicated, the Customer: i) undertakes to indemnify the Supplier against any adverse direct or indirect repercussions caused to the latter as a result of the production and/or promotion and/or marketing of such Products in such territories; ii) will directly cover or otherwise indemnify the Supplier against all direct and indirect loss and damages as well as all costs, including legal defence or court costs (including professional fees for Supplier-appointed advisers) which the latter is obliged to pay in the event of legal proceedings.

For Products produced based on drawings or instructions or information provided by the Customer, the latter shall be the sole and exclusive party responsible for any infringement (also related to the production process) of industrial and non-industrial property rights of third parties. For such Products, the Customer: i) undertakes to indemnify the Supplier against any adverse direct or indirect repercussions caused to the latter as a result of the production and/or promotion and/or marketing of the Products; ii) will directly cover or otherwise indemnify the Supplier against all direct and indirect loss and damages as well as all costs, including legal defence or court costs (including professional fees for Supplier-appointed advisers) which the latter is obliged to pay in the event of legal proceedings.

10 Transfer ban

The Purchaser shall not sell or take over third parties in the contracts stipulated with Panzeri S.p.A.. In case of company sale, the contract transfer shall be expressly authorized by Panzeri S.p.A.

11 Law and jurisdiction

This agreement is governed by the Italian law.

For any controversy that may arise relating to this Agreement and to the purchase orders, the parties agree that the Court of Lecco has exclusive jurisdiction.

12 Override clause

If there should be a conflict and/or discrepancy, including in interpretation, between the Italian language version and the English language version of these General Conditions, the Italian version shall prevail and shall be applicable for reference purposes.

13 Partial invalidity and integrity of the General Conditions

The potential invalidity of one or more clauses shall not compromise the validity of the General Conditions as a whole.

In cases of doubt, the provisions of these General Conditions shall be interpreted in such a way that the General Conditions can produce legal effects rather than not produce any legal effects.

14 GDPR

The Parties both undertake to process personal data (including sensitive data) which they obtain/acquire during the supply arrangement, in compliance with the provisions of Legislative Decree no. 196 of 30 June 2003 and of Regulation (EU) 2016/679.

Panzeri S.p.A.

The Purchaser

06/07/2021

ANNEX A) - Supply tolerances

Tolerances on the numerical capacity of packages

The following limit deviations from the number of pieces declared in packages are admissible:

For packages with less than 100 pieces:

0 for bolts with $d > 12$ mm;

± 1 for bolts with $d < 12$ mm.

For packages with 100 pieces or more:

± 1 % for bolts with $d > 12$ mm;

± 2 % for bolts with $d < 12$ mm.

Tolerances on quantities requested

For standardised bolts, the quantity supplied should match the quantity requested, subject to tolerance on the individual packages and the rounding off that may be required if the quantity requested is not equal or an integer multiple of the numerical capacity of the packages.

For non-standardised bolts, the quantity supplied must be equal to that requested subject to the tolerance (unless otherwise agreed at the time of the order) indicated in the table below:

| QUANTITY REQUESTED | QUANTITY REQUESTED | |
|---------------------------|--------------------|-------|
| | UPPER | LOWER |
| up to 100 | + 20 % | 0 |
| over 100 up to 1,000 | + 14 % | 0 |
| over 1,000 up to 10,000 | + 5 % | - 5 % |
| over 10,000 up to 100,000 | + 3 % | - 3 % |
| over 100,000 | + 2 % | - 2 % |