



**GENERAL TERMS AND CONDITIONS FOR PURCHASE
OF MACHINERY**

1.	INTRODUCTION.....	2
2.	DEFINITIONS AND INTERPRETATION.....	2
3.	PURPOSE OF THE GTCM.....	3
4.	SELECTION OF THE SUPPLIER.....	4
5.	ORDER AND ACCEPTANCE.....	4
6.	CHANGES TO THE ORDER.....	4
7.	DELIVERY.....	5
8.	QUALITY.....	5
9.	FACTORY ACCEPTANCE TESTING & SITE ACCEPTANCE TEST.....	6
10.	PRICES, INVOICES AND PAYMENTS.....	7
11.	CUSTOMS, ORIGIN AND EXPORT CONTROLS.....	8
12.	NORMATIVE AND REGULATORY REQUIREMENTS.....	8
13.	WARRANTY.....	9
14.	INDEMNIFICATION AND INSURANCE.....	10
15.	OBBLIGATONS AND LIABILITY OF SUPPLIER.....	11
16.	INTELLECTUAL PROPERTY.....	12
17.	EQUIPMENT AND SPECIFIC MATERIALS.....	13
18.	WITHDRAWAL AND TERMINATION.....	13
19.	CONFIDENTIALITY.....	14
20.	FORCE MAJEURE.....	14
21.	ASSIGNMENT AND SUBCONTRACT.....	15
22.	COMPLIANCE.....	15
23.	ENVIRONMENT AND SOCIAL RESPONSIBILITY.....	15
24.	STATEMENT AND POLICY ON CONFLICT MINERALS.....	16
25.	GOVERNING LAW AND JURISDICTION.....	16
26.	PRIVACY POLICY STATEMENT.....	16

1. INTRODUCTION

LU-VE S.p.A. and its affiliates operate in a highly competitive sector in which the Group's success depends on the ability to respond, in a timely manner, to the growing needs of the market. LU-VE S.p.A. and its affiliates seeks to obtain three key characteristics from its industrial endeavours:

- the qualification of intellectual capital cultivated within the company, in order to build a solid foundation of values for the company's employees and for the well-being of those who use its products;
- growth through a market position that is continuously aligned with the highest levels of international competition;
- the technological advancement of products and processes, in order to improve and enhance the organisation and the presence of both traditional and new markets.

Selecting a Supplier requires a thorough analysis of the market concerned. The selection of the most suitable Supplier shall take into account the following parameters:

- a) the guarantee on the part of the Supplier to deliver the quantity of goods ordered on time;
- b) a supply management process that allows LU-VE Group to minimise the amount of time goods remain in the warehouse;
- c) a high degree of flexibility, allowing LU-VE Group to adapt quickly to the market and to current demand;
- d) the ability to establish a long-term business collaboration with its suppliers.

2. DEFINITIONS AND INTERPRETATION

Unless otherwise defined hereunder, the following terms shall have the meanings attributed to them as specified below, it being understood that the meaning attributed to a term expressed in the singular shall be understood to refer to the same term even if expressed in the plural and vice versa:

- 2.1. **"Purchase"**: means any purchase of Machinery by LU-VE;
- 2.2. **"Affiliate"**: means any company, directly or indirectly, controlled by the Holding;
- 2.3. **"Equipment"**: means any equipment, machinery, tool, assemblies, installations, moulds and/or devices required for the production of Machinery by the Supplier;
- 2.4. **"Holding"**: means LU-VE S.p.A., having its registered office at Via Vittorio Veneto no. 11, 21100 Varese (VA), Italy, and its administrative office at Via Caduti della Liberazione no. 53, 21040 Uboldo (VA), Italy;
- 2.5. **"General Terms and Conditions for Purchase of Machinery (GTCM)"**: means these General Terms and Conditions for Purchase of Machinery;
- 2.6. **"Contract"**: means the agreement entered into between LU-VE and the Supplier concerning the supply conditions possibly agreed between the Parties following the selection made by LU-VE;
- 2.7. **"Intellectual Property Rights"**: means all intellectual and industrial property rights of LU-VE, including, without limitation, all rights related to: patents for inventions, designs or models, brands, know-how, Specifications with respect to which such rights have been registered/are in the process of being registered and/or de facto, as well as any application or registration relating to these rights and any other right or form of protection of a similar nature or having equivalent effect;
- 2.8. **"Supplier"**: means any company, entity or individual that sells Machineries as part of its business or professional activities;

- 2.9. **“LU-VE Group”**: means the group of companies composed of the Holding and the Affiliates;
- 2.10. **“Incoterms 2010”**: means the terms drawn up by the International Chamber of Commerce for the interpretation of trade-related terms;
- 2.11. **“Confidential Information”**: means any data and/or information of any kind (commercial, financial, technical, operational, management-related, administrative, legal, etc.) and in any form (written or oral, in visual or electronic format, on paper, on magnetic or digital media, without any exclusion) including, by way of example and without limitation, data, know-how, Specifications, drawings, models, diagrams, formulas, projects, procedures or processes, images, files, archives, databases, software and related source code, materials, material samples, products, equipment and all the related specifications, which the Supplier may become aware of, directly or indirectly, before or after the date the Order is signed, including by accessing the documentation and/or goods of any kind provided, following interviews or on the occasion of the execution of related activities, connected or consequent to the Order, regardless of whether such data and/or information has been specifically identified as “confidential”, “privileged” or “price sensitive”;
- 2.12. **“Price List”**: means the price list officially in force, sent from time to time by the Supplier to LU-VE;
- 2.13. **“LU-VE”** or **“Company”**: means the Holding and/or the Affiliate that, as the case may be, is a part of the Purchase;
- 2.14. **“Machinery”**: means any machinery; interchangeable equipment; safety components; lifting accessories; chains, ropes and webbing; removable mechanical transmission device and / or partly completed machinery purchased by LU-VE;
- 2.15. **“Supplier form”**: means the form concerning the compliance with applicable laws concerning administrative liability of companies, job safety, corporate social responsibility and conflict of interests, which is due to be subscribed by the Supplier at the time of submitting the Order;
- 2.16. **“Order”**: means any individual order for the Purchase of Machinery sent by LU-VE to the Supplier;
- 2.17. **“Parties”**: means LU-VE and the Supplier;
- 2.18. **“Website”**: refers to the www.luvegroup.com website or any other website that is or will be the official website of LU-VE Group;
- 2.19. **“LU-VE Purchasing Office”**: the LU-VE office or department responsible for Purchasing activities.

3. PURPOSE OF THE GTCM

- 3.1. LU-VE shall not be bound by the Supplier’s general terms and conditions of sale, even in cases where reference is made thereto or said terms and conditions are contained in any documentation provided by the Supplier; everything shall remain valid in the absence of a prior express written consent signed by both Parties. The provisions set out in these GTCM shall prevail over the Supplier’s general terms and conditions of sale, if subscribed by LU-VE, where the two are in disagreement with one another.
- 3.2. Any modification of these GTCM is valid only if this results in writing from specific provisions included in the Order or in any Contract and, in the case of an Order already in progress, if the modification is agreed jointly in writing by the Supplier and by LU-VE; it being understood that although these changes will prevail over the content of the GTCM, their effectiveness will also be limited to the specific Order or Contract. No clause or general condition of sale inserted by the Supplier into the invoices, delivery notes or correspondence that contradicts or limits the present GTCM is considered valid, unless expressly accepted, in writing, by LU-VE.
- 3.3. LU-VE reserves the right to amend these GTCM, it being understood that the new GTCM shall apply to all Purchases concluded as from the day following the communication of the new GTCM to the Supplier.

- 3.4. The Order, its modification, any related annex, any Contract as well as these GCAM constitute the entire and exclusive agreement between LU-VE and the Supplier. In the event of any conflict, discrepancy or contradiction between these General Terms and Conditions and the documents indicated below, the order of priority shall be as follows:
- a) Order;
 - b) Contract;
 - c) GTCM.

4. SELECTION OF THE SUPPLIER

- 4.1. To select a Supplier, LU-VE compares several potential suppliers. The selection aims to ensure the best possible balance between quality, reliability and cost. The process is strictly confidential and does not constitute, nor should it be interpreted as a promise or obligation by LU-VE to negotiate or buy any Machinery. Upon the completion of the selection process LU-VE shall, at its discretion, appoint a consulted party as a Supplier.
- 4.2. The Parties have the faculty to sign a Contract in which, within the limits of the article 3 above, specific terms and conditions for the purchase of Machinery are specified.

5. ORDER AND ACCEPTANCE

- 5.1. The Order must be submitted in the standard form sent by LU-VE by fax or e-mail, which will be considered as a written communication.
- 5.2. Each Order must contain: Order number, Supplier's code, price, conditions, terms of the supply and of the delivery and, if applicable, invoicing and payment terms. These General Terms and Conditions for Purchase of Machinery are to be considered as integral part of the Order to all effects.
- 5.3. The Supplier must confirm the acceptance of the Order to LU-VE within eight (8) days from the receiving of the Order, communicating it in written by paper form or by e-mail, or through dedicated portal. If any confirm or refusal is missing within the above term, the Orders based on the GCPM are to be considered as fully confirmed when the Supplier has started to proceed the Order issued by LU-VE. In this case, it is understood that LU-VE shall have the right to accept or refuse the Machineries already produced, charging the incurred cost to the Supplier.
- 5.4. LU-VE will be bound to purchase from the Supplier exclusively the Machineries included in the Order duly confirmed by the Supplier.
- 5.5. The Supplier, with the confirmation of the Order, undertakes to supply the Machinery in accordance with the Specifics included in the Order and with documentation as per par. 15 below.

6. CHANGES TO THE ORDER

- 6.1. Before starting to proceed with the assembly, production or supply of the Machinery, the Supplier shall communicate any need of variation from what is prescribed in the Specifics. In this case, the supply of the Machinery could be processed only if the variations have been agreed in written by LU-VE.
- 6.2. LU-VE is entitled to request changes to the price, conditions, terms, methods of supply, transportation and, if applicable, invoicing and payments included in the Contract or in the Order including, among others, Specifications, drawings, projects, constructions.
- 6.3. If a change requested pursuant to previous paragraphs results in an increase or a reduction in the Supplier's costs and/or a possible delay in delivery, the Supplier shall promptly inform LU-VE, within five (5) working days of the fact, and the Parties shall agree in writing on the terms and conditions based on which the requested changes shall be made.

7. DELIVERY

- 7.1. The delivery of the Machineries must be made on the agreed date and in accordance with the conditions established in the Order and / or the Contract. Unless otherwise agreed in writing by the Parties, the Machineries shall be delivered at the place specified in the Order, regardless of whether they are premises of the Purchasing Company or third parties, according to the term DDP ("Delivery Duty Paid") according to the Incoterms 2010.
- 7.2. For the purposes of verifying the compliance with the delivery terms and the transfer of the risk for damage or total or partial loss of the Machineries from the Supplier to LU-VE, the INCOTERMS rules indicated in the Order and / or the Contracts shall apply.
- 7.3. The packaging and transport of the Machinery must be carried out with every precaution to preserve it from any damage, maintaining its complete integrity and functionality, and the appropriate labels must be affixed for correct identification.
- 7.4. Unless otherwise agreed in writing by the Parties, the Supplier is required to make deliveries in accordance with the quantity required by the Order and in full and timely compliance with the delivery terms indicated in the Orders and / or Contracts. Delays or early deliveries are not allowed. Therefore, LU-VE reserves the right, at its sole discretion, to:
 - a) refuse the quantities exceeding the requested deliveries or those anticipated with respect to the agreed terms, returning these deliveries at the Supplier's expense; or
 - b) accept them, charging the Supplier for storage and deposit costs and financial charges relating to the early delivery period, with effect from the deferred payment terms until the agreed payment date; in any case, the further measures envisaged in the event of default within the agreed terms remain unaffected.
- 7.5. The Supplier shall promptly inform LU-VE in the event any circumstances arise that could cause any delays in the delivery. In case of a delayed delivery, LU-VE shall be entitled to:
 - a) accept the whole or partial delivery of the Machineries and apply a penalty equal to 0.5% of the price of the Machineries not delivered, for each day of delay, up to a maximum of 10% of the Order amount, without prejudice to the right for compensation for greater damage;
 - b) procure the necessary Machineries, that are not delivered and reasonably will not be delivered within the due term, from third parties charging the relative costs to the Supplier, upon communication to the latter; such decision will be binding for the Supplier and it is understood that the set-off as per par. 10.5 below shall apply;
 - c) cancel the Order or the undelivered part of it, through communication to the Supplier and with immediate effect, in the event that the delay nullifies the delivery interest of LU-VE; in such case LU-VE from the moment of receiving of the communication will be relieved of any acceptance obligation and payment obligation of the Machineries, without prejudice to the right for compensation of greater damage;
- 7.6. The transfer of ownership of the Machinery to LU-VE shall take place upon delivery, in accordance with the Incoterms 2010 agreed. In the event that the Machinery is to be installed and tested, this will be considered definitively accepted by LU-VE exclusively at the positive outcome of any testing procedures envisaged in these GCAM or otherwise agreed in writing between the Parties.

8. QUALITY

- 8.1. LU-VE and the Supplier acknowledge and agree that the quality of the Machineries as well as the compliance of the same with the Specifications are an essential requirement for the supply of machineries to LU-VE.

- 8.2. The Supplier guarantees that the Machineries delivered are free from defects and comply with the technical, functional and/or commercial specifications and to the requirements (including, but not limited to, data, recipes, formulas, know-how, specifications and technical requirements, functional and / or commercial or other technical information, drawings, models, schemes, formulas, projects, procedures or processes, images, files, archives, databases, software and related source codes, materials, material samples) contained in the Order or communicated, from time to time, by LU-VE in writing or otherwise agreed between the Parties in writing (the “**Specifications**”) and to manage the related documentation.
- 8.3. The Supplier is entirely liable for the quality, the compliance to the Specifications and all aspects of reliability of the Machineries. Furthermore, the Supplier is entirely liable for all quality control, inspection, selection, verification activities.
- 8.4. The Supplier shall notify in writing to and agree with LU-VE all possible changes to the project, materials, Specifications and production processes that may potentially affect the quality, reliability and/or performance of the Machineries.
- 8.5. The Machineries shall be accompanied by suitable documentation to certify the compliance of the goods supplied according to the applicable Specifications, including, but not limited to, the certificate of origin of the same.
- 8.6. The Supplier undertakes to properly store and maintain the quality records attesting all the checks carried out on the Machineries for a minimum of two years after the delivery. The documents relating to the collection of such data shall be kept in such a way as to allow a quick and easy consultation and a safe and easy identification with the relevant batches of the Machineries. LU-VE is entitled to request to the Supplier, at any time, to exhibit the documentation and the results of the checks carried out.
- 8.7. LU-VE has the right to check the correct execution of the Order, both during the processing and subsequently in the eventual testing of the Machineries. To this end, the Supplier will provide LU-VE and/or its authorized representatives with free access to its offices and establishments, as well as to those of any third parties at any time with adequate written notice. Furthermore, the Supplier undertakes to give access, within the limits of industrial secrecy, to its own organization, to the processes, procedures and data/results of the tests carried out in case of written request by LU-VE.

9. FACTORY ACCEPTANCE TESTING & SITE ACCEPTANCE TEST

- 9.1. **Factory Acceptance Testing (FAT):** except as otherwise provided for by the Parties in the Order and / or in the Contract, the Supplier shall perform a pre-installation and a pre-test at its own factories, carrying out a specific standard procedure to demonstrate the functionality of the Machinery, without any error or defect. At the end of the pre-testing of the Machinery, a final report shall be prepared which shall be drawn up and signed by the representatives of both Parties (“**FAT Minutes**”). The Supplier undertakes to transmit a copy of the FAT Minutes to LU-VE without any undue delay. LU-VE will provide any pieces for the execution of the tests before the pre-test.
- 9.2. **Installation and commissioning:** once the Machinery has been delivered, unloaded and positioned on the dedicated place, its installation shall take place no later than fifteen (15) days from the delivery date. The installation of the Machinery shall be prepared by the Supplier, except for what may be provided between the Parties in the Order and / or in the Contract, within fifteen (15) working days from the day of the start of the installation itself. In carrying out the installation activity, the Parties undertake to collaborate with each other and in particular:

- a) the installation of the Machinery in the final position is performed by the Supplier, through its technician or a partner authorized by the same and communicated in advance to LU-VE in writing. The Supplier will supply LU-VE, attaching them to the order confirmation, the installation conditions and the placement plans in which any requirements and provisions for LU-VE which it will undertake to comply with in the timescales necessary for timely installation can be specified. LU-VE, in order to guarantee a rapid process, can provide the responsible technician and the Supplier's employees on loan for use with all existing and available lifting equipment, in accordance with the provisions of article 17 below;
 - b) after correctly installing, the Supplier's technician will carry out the commissioning of the Machinery, during which he verifies and tests that all the systems and components of the Machinery are designed, installed and tested according to the operational needs of LU-VE.
- 9.3. **Site Acceptance Test - SAT:** unless otherwise provided by the Parties in the Order and / or in the Contract, the Supplier shall carry out, in the presence of the representatives of the Parties, the final testing of the Machinery according to a specific procedure agreed between the Parties, in order to verify the correct state of installation and functionality of the Machinery in relation to the needs and the operating environment, including documentary checks and functional tests and the control of correct integration with other systems and peripherals. During the acceptance phase of the Machinery, in the event that:
- a) there are no defects and errors that limit the suitability for use of the Machinery or do not diminish its value, upon completion of the final test, a specific report will be prepared by the representatives of both Parties ("**SAT Minutes**"), which shall be signed by the Parties for acceptance;
 - b) defects and removable errors are found, LU-VE has the right to request the Supplier to remove these defects and errors within ten (10) days from the day the defect was found; otherwise or if the defects are not removed within the above term, the following letter c) of this paragraph shall apply;
 - c) non-removable errors or defects of the Machinery are found, the Supplier shall, at its own expense and care, replace the Machinery with another brand new and fully operational Machinery, compatible with what is indicated in the Order and / or the Contract, within fifteen (15) days from the day the defect was found. In this case, the Supplier shall reimburse LU-VE all expenses for auxiliary staff and equipment engaged in the replacement and installation of the new defect-free machine and the costs of any insurance.
- 9.4. **Instructions:** except as otherwise provided by the Parties in the Order and / or in the Contract, the Supplier will also provide, during the period of carrying out all the installation and testing tests, to instruct the LU-VE personnel assigned to operate and maintenance regarding the correct functioning of the Machinery.
- 9.5. LU-VE reserves the right to request the machinery to be subjected to regulatory verification by a notified body, the sole responsibility of the Founder and included in the price, in order to verify the regulatory and regulatory compliance of the same with the applicable legislation, including, by way of title. by way of example and not limited to, the Machinery Directive 2006/42 / EC, the Pressure Equipment Directive- PED, electromagnetic compatibility, the national and international legislation relating to gas, electricity and handling equipment and any other applicable legislation, directive or regulation to the Machinery. The Supplier shall communicate all inspection reports and declarations to LU-VE and shall include them in the technical file.

10. PRICES, INVOICES AND PAYMENTS

- 10.1. The prices of the Machinery indicated in the Order or in the Contract is intended as fixed and not subject to any revision. The prices referred to in the Order and / or the Contract are inclusive of shipping, transport and packaging fees and any other charges, costs or expenses, depending on the INCOTERMS term applied to the order, net of any taxes due at the time of the supply.

- 10.2. The invoices issued by the Supplier shall include: Order number, the bank account number of the Supplier with the bank details of the Banking Institution where it is entertained, LU-VE material code, number of the transport document, quantity delivered, price unit, total price and VAT if applicable.
- 10.3. The bank details as per paragraph 10.2., if not indicated in the Order and / or in the Contract and in the case any variation of the same occurs, shall be communicated in writing to LU-VE with adequate advance; it is understood that in no case the Supplier may attribute any delay in payments to LU-VE if such delay is attributable to the failure, erroneous or late communication of its bank details or to the lack or incorrectness of the information requested on the invoices.
- 10.4. The payments shall be made according to the terms and conditions agreed between the Parties in the Order and / or in the Contract or as otherwise agreed in writing between the same Parties.
- 10.5. Should LU-VE charges the Supplier any amount on the basis of the provisions contained in these GTCM, in the Order or in the Contract, the Supplier expressly authorizes LU-VE to issue the corresponding invoice and to deduct the relative amount from the sums due by LU-VE to the same Supplier, at the time of payment, or to add the said credit to any credit in favour of LU-VE; all this shall be duly noted in the current accounts. Offset takes place on the basis of the rules set out in article 1243 of the Italian Civil Code.

11. CUSTOMS, ORIGIN AND EXPORT CONTROLS

- 11.1. The Supplier shall notify LU-VE in writing of any materials or components used in the manufacture of any Machinery that is purchased by the Supplier in a country other than the one in which such Machinery is delivered to LU-VE and of any duties included in the prices of said Machinery. The Supplier shall provide LU-VE with all the documentation and information necessary to establish and identify the country of origin, in compliance with the requirements on the origin provisions of the destination country as well as with any special trade scheme.
- 11.2. The rights related to any refund, duty, export incentive or inherent benefits, insofar as such is permitted, shall be automatically transferred to LU-VE and shall become the exclusive property of the same. The Supplier shall provide the support necessary to obtain the refunds or the return of the duties, taxes or expenses paid and to receive the export incentives.
- 11.3. The Supplier shall provide LU-VE with all the support necessary to determine the admissibility, prompt release, customs clearance and the issue of the bill of entry, the license requirements and the minimum duties due on importing the Machinery into the destination country, assuming it falls within LU-VE's sphere of responsibility. Where a license is required for the import and export of the Machineries, the Supplier shall assist LU-VE in obtaining such license.

12. NORMATIVE AND REGULATORY REQUIREMENTS

- 12.1. The Supplier undertakes to respect and guarantees the compliance by its employees with the hygiene and safety provisions, in particular in the case of work on site, including but not limited to any provisions related to the putting into service and / or testing on site. In this case, the Supplier undertakes to provide all the documentation requested by LU-VE for the respect of health and safety at work
- 12.2. Furthermore, without prejudice to the provisions set forth in the Order and / or in the Contract, the Supplier guarantees that the Machinery, the apparatus, the tools, the equipment, the materials and the installation called with the terms "machinery", "interchangeable equipment", "safety components", "lifting accessories", "chains, ropes and webbing", "removable mechanical transmission devices" and "partly completed machinery" pursuant to the Machinery Directive 2006/42/EC, are designed and installed in accordance with the aforementioned directive and in conditions suitable for the intended purpose, not exposing people or goods to a risk of damage to their safety or health.

- 12.3. The Supplier undertakes to respect and implement every applicable regulatory provision, including the Machinery Directive 2006/42/EC, and in particular it shall: (i) provide the EC declaration of conformity of the machinery with the applicable standards on the day of delivery of the Machineries; (ii) affix the "CE" marking; (iii) provide any technical report that highlights the results of the research and tests carried out by the Supplier and the reports under article 9 above; (iv) provide the technical file, all the technical documentation drawn up in accordance with the provisions, terms and conditions set out in the Machinery Directive 2006/42/EC and the necessary information such as the instructions and make the risk analysis available, which can be requested by the administrative authorities; (v) as regards the risk analysis, comply with the instructions of the Machinery Directive 2006/42/EC and in particular with the essential health and safety requirements for the design and construction of machinery.
- 12.4. Without prejudice to the provisions of the previous paragraph, the Supplier shall promptly deliver to LU-VE all the documents, declarations and certificates required by the applicable regulations, including those relating to the elements of the Machinery, prepared according to the terms and conditions of referred to in the regulatory provisions.
- 12.5. The Supplier represents and warrants the correspondence of the materials supplied with the applicable product safety standards, in particular as regards compliance with the provisions of Regulation (EC) no. 1907/2006 (REACH), to Regulation (EC) no. 1272/2008 (CLP), to Directive no. 2011/65/CE (RoHS), to Legislative Decree 81/08 and to Legislative Decree 152/06 and subsequently amended and supplemented.
- 12.6. The Supplier represents and warrants that the Machineries supplied are free of the substances contained in the lists issued by the European Chemicals Agency (ECHA) in the version updated on the date of the Order or of the Contract if any. If the Machineries contain one or more of these substances, the Supplier is required to promptly communicate it to LU-VE.

13. WARRANTY

- 13.1. The Supplier guarantees that the Machineries supplied are (i) compliant with all the laws and regulations in force in the relevant sales markets; (ii) free from any fault or defects and comply with Specifications, drawings, descriptions, designs or samples supplied or specified by LU-VE and (iii) eligible and suitable for the operational use for which the individual Machinery is intended.
- 13.2. Except as otherwise provided for by the Order and/or by the Contract, the Supplier provides the warranty under in the present article 13 for the minimum period of 24 months starting from the delivery.
- 13.3. With reference to the warranty granted, at any time during the warranty period, if faults, defects, breakdowns of the Machinery and non-compliance of the same with the Specifications, with the additional indications under the Order and / or the Contract and with the applicable laws and regulations ("**Defects**") are found, LU-VE shall undertake, without unjustified delay, to report to the Supplier the occurrence of the Machine Defect, by written notice containing the description of the Defect detected.
- 13.4. If any Defect is found, following a contradiction with the Supplier, LU-VE shall have the right, at its discretion, to request by written notice:
 - a) the repair of the Machinery affected by the Defect, or of the individual parts of the same, within the reasonable term established by LU-VE; the Supplier, in agreement with LU-VE, considering the circumstances and the related costs, will repair all the defective parts or replace them free of charge; it being understood that this warranty does not apply to wearing parts;
 - b) the replacement of the Machinery affected by the Defect no later than ten (10) days; the provisions of this letter b) also apply in the event that the defects are such that they cannot be repaired and / or if the Supplier does not fulfil the elimination of defects within the set deadline.

- 13.5. Without prejudice to the provisions under paragraph 13.4 above, LU-VE, at its discretion, shall have the right to:
- a) obtain a reasonable reduction in the price of the Machinery affected by the defect; or
 - b) request the termination of the Order and / or the Contract, without incurring any liability; in this case, the provisions of paragraph 18.4 below shall apply;
- it being understood that, in any case, to compensation for possible additional damages and the commitment by the Supplier to take the corrective and preventive actions necessary to avoid the repetition of the defects and / or non-conformities detected.
- 13.6. The Supplier undertakes to start the removal of the Defect no later than 24 hours from the written notice sent by LU-VE pursuant to paragraph 13.4. above, it being understood that the term does not include public holidays.
- 13.7. For all parts that have been replaced, repaired or otherwise directly or indirectly affected by these operations, the warranty period will extend for 24 months from the date of completion of the repair, replacement or modification.
- 13.8. The Supplier shall perform the warranty services at the place of destination agreed for the supply of the Machinery and, where necessary, may carry out repair work at its production plant. The Supplier is obliged to uninstall and reinstall the Machinery or the defective part. The Supplier shall bear the costs of the warranty services including the costs related to transport, labour and material.
- 13.9. The Supplier shall be obliged to cover any damages suffered by LU-VE due to defects of the Machinery, non-compliance with technical specifications, infringements of the administrative provisions relating to security by the Supplier or for any other reason attributable to the Supplier. The warranty also covers damages to persons and property caused by the products manufactured by LU-VE using the Machinery, if such damage is caused by defects of the Machineries or non-compliance with the terms of the Contract.
- 13.10. The validity of complaints for defects ceases to exist whenever the defect depends on the fact that LU-VE does not comply with the conditions of installation and use, fails to perform maintenance of the asset or performs it without observing the maintenance instructions (instruction for use). During maintenance, spare parts and original parts subject to wear by the Supplier must be used.
- 13.11. The Supplier undertakes to provide LU-VE with spare parts and wearing compatible with the Machinery supplied for 10 (ten) years from the date of delivery. If the Supplier is unable to guarantee the supply, it shall undertake to arrange in favour of LU-VE all the necessary measures to ensure the commissioning of the machinery that needs replacement.

14. INDEMNIFICATION AND INSURANCE

- 14.1. The Supplier shall indemnify and hold LU-VE harmless, at the latter's written request, from:
- a) any liability, loss, damage, expense (including, without limitation, legal and professional consulting fees) and other costs incurred in relation to any breach or non-fulfilment of the Order and/or of the Contract and/or of the present GTCM by the Supplier;
 - b) any claim arising from the injury or death of any person and any damage or loss of any good or property caused by Defective Goods or otherwise arising from any act, omission or negligent activity on the part of the Supplier (or any person acting on its behalf), as well as any repair costs, subsequent delivery, installation and removal of Defective Goods.
- 14.2. In addition to the compensation and indemnity obligations set forth under paragraph 12.1, the Supplier shall collaborate with LU-VE to adopt any action that can reasonably be undertaken in relation to any recall or campaign that LU-VE can run.

- 14.3. The Supplier represents and warrants to have, or alternatively to procure, and maintain at its expense and for the entire duration of the Contract entered into with the LU-VE and as long as it continues to supply to LU-VE, the following insurance coverage entered into with leading Insurance Companies:
- a) Third Party Liability Insurance, with a coverage of at least Euro 2,500,000 per claim, which explicitly includes damages caused in the event of activities carried out by third parties;
 - b) Employees Liability Insurance, with a coverage of at least Euro 2,500,000 per claim and a limit of at least Euro 1,000,000 per individual person injured;
 - c) Product Liability Insurance, with a coverage of at least Euro 2,500,000 per claim/year.
- 14.4. LU-VE shall have the right to ask the Supplier for a copy of the aforementioned insurance policies together with the certificates of subsequent renewals and evidence of the payment of the relative premiums.
- 14.5. LU-VE reserves the right to request that the Supplier obtains additional insurance coverage, in addition to that already provided for in this article.

15. OBLIGATIONS AND LIABILITY OF SUPPLIER

- 15.1. The Supplier undertakes to comply promptly and scrupulously with the legal provisions applicable to the performance of the supply entrusted to it and in particular undertakes:
- a) to assume all liability related to the supply of the Machinery entrusted to it and guarantees to have specialized and suitable staff for the purpose;
 - b) to implement, for the performance of the supply of the Machinery, all the technical, organizational and equipment measures provided for or required by the accident prevention regulations in force, both for the purposes of safety and hygiene of the work of its technicians and workers, and for the purposes of the safety of people, plants and things of LU-VE and of third parties in compliance with applicable legislation;
 - c) to maintain in force for the entire duration of the Order and / or the Contract the insurance policies of which the Supplier has delivered a copy to LU-VE and of those eventually stipulated at the request of LU-VE;
 - d) report any changes that occur with respect to the information provided to LU-VE related to the ownership of its own company, to the company's shareholding structure and to any other information contained in the Supplier Form (if signed).
- 15.2. If the phases of Installation and commissioning and Acceptance on site involve the work of employees of the Supplier at the Company's premise, the Supplier undertakes to comply with all labour, social security, accident prevention, workplace safety and tax regulations, applicable and future, providing first of all to provide LU-VE with at least five (5) days before the start of the works:
- a) Self-certification declaration pursuant to art. 47 Presidential Decree 445/2000, aimed at verifying, pursuant to art. 26 Legislative Decree 81/08, the possession by the Supplier of the technical-professional suitability requirements;
 - b) Certificate of registration of the Supplier to the Chamber of Commerce, Industry and Crafts;
 - c) Copy of the insurance policy for damages of the activity carried out by the Supplier;
 - d) Copy of the Tax and Wage Compliance Certificate (DURC) not earlier than 3 months from the start date of the works;
 - e) List of the employees of the Supplier who will be used to carry out the services subject to the supply, indicating the tax code number of each employee and the date of hiring (UNILAV);

- f) Risk assessment pursuant to art. 28 Legislative Decree 81/08 relating to the activities covered by the Contract with a description of the security measures activated (Operational Security Plan - POS);
 - g) Evidence of non-submission to suspension or disqualification measures pursuant to art. 14 of Legislative Decree 81/08 due to failure to comply with the provisions of the law on illegal work, or for repeated violations of the law on workplace safety.
- 15.3. In any case, the Supplier undertakes as of now to indemnify and hold LU-VE harmless from any liability, claim, right, compensation or action proposed against LU-VE in relation to the remuneration, contribution, insurance and tax position of the workers that the Supplier will use in the execution of this Contract. The Supplier shall therefore reimburse LU-VE any sum that the latter should eventually pay as a result of this, in addition to interest at the legal rate from the date of payment made by LU-VE up to that of the refund in favour of the same.
- 15.4. The Supplier undertakes to cooperate with LU-VE for the implementation of the measures for the prevention and protection of risks at work, accidents related to the work activity provided for by the Contract, including the risks of interference between the work of the various companies involved in the execution of the overall work or with the activities carried out by LU-VE at the production unit or the construction site concerned. In this regard, the Supplier undertakes to provide LU-VE in a correct, complete and not misleading way the information requested by LU-VE, on the basis of which LU-VE prepares the DUVRI in accordance with art. 26 Legislative Decree 81/08. The Supplier also undertakes to promptly inform LU-VE of any change in the information and / or documents provided to LU-VE for the purposes of this paragraph, so as to allow the latter to keep the DUVRI adequately updated, if necessary. Under penalty of nullity, the Parties shall also proceed jointly with the preparation of the report containing information on the costs of the measures taken to eliminate or, if this is not possible, minimize the risks to health and safety at work deriving from the interferences of the work.
- 15.5. The Supplier also undertakes to respect, and to cause to respect to its employees, subcontractors or subsupplier, all the laws, company regulations and internal procedures of LU-VE as well as to comply with all the precautions and prohibitions in force to prevent fire hazards; the Supplier, therefore, will be considered responsible for all claims and damages caused to people, goods, plants or equipment, installations, products worked, semi-finished or stored, deriving from negligence or its own fault, by its employees, subcontractors or subcontractors or by their respective employees.

16. INTELLECTUAL PROPERTY

- 16.1. In no case shall the Supplier make use of LU-VE's Intellectual Property Rights, if not for the sole purpose of executing the relative Orders and / or Contract, except where expressly permitted to do so by LU-VE in writing and within the limits of such concession.
- 16.2. The Supplier guarantees to LU-VE that the Machinery supplied have not been and shall not be produced in violation of Intellectual Property Rights of any kind and owned by anyone.
- 16.3. Whether the goods covered by the Order and / or the Contract violate commercial patents or copyrights of third parties, the Supplier shall take care, at its own expense, to guarantee the right to use the good by LU-VE or to modify the good under conditions acceptable to LU-VE so that the violation of these patent rights is eliminated. If this is not possible for reasons of excessive onerousness or excessive duration of the works, the Supplier may, without incurring any responsibility, cancel the Order and / or withdraw from the Contract.
- 16.4. The Supplier undertakes to indemnify and to hold LU-VE harmless from any burden or dispute relating to the exploitation of any Intellectual Property Rights, such as, but not limited to, patents, designs or models, trademarks, know-how, copyrights, deriving from the use of the Machinery by LU-VE. If LU-VE should receive a claim before the Court relating to the violation of property rights on the subject of the Order and / or the Contract, the Supplier shall be obliged to intervene in the judgement, releasing LU-VE from any further consequences, including financial.

- 16.5. Any new discoveries or inventions that may have occurred during the execution of the Order and /or the Contract shall be deemed as Intellectual Property Rights of LU-VE.
- 16.6. The Supplier also guarantees LU-VE the freedom and the license to use and trade the Machinery supplied, both in Italy and abroad.
- 16.7. In the case of purchase of Machinery equipped with software, the Supplier grants LU-VE the non-exclusive right to use the software on the Machinery. LU-VE undertakes to use the software within the limits and in accordance with the provisions of the license granted on the software. LU-VE can reproduce, resell, translate or convert the software from object code to source code only to the extent permitted by copyright law. LU-VE undertakes not to remove the manufacturer's data – in particular the copyright information – and not to modify it, without the prior authorization of the Supplier. The provisions of article 12 apply to the software.

17. EQUIPMENT AND SPECIFIC MATERIALS

- 17.1. The Equipment shall be made available at duty and expense of the Supplier that guarantees its full suitability for the use for which it is intended, the good state of maintenance and full compliance with applicable regulations. Except as provided in the following provisions of this article, the Supplier is expressly prohibited from using any equipment owned by LU-VE.
- 17.2. In the event that LU-VE supplies or purchases and then makes available to a Supplier Equipment that is not covered by a specific agreement, the following provisions shall apply.
- 17.3. Any Equipment provided to the Supplier for use shall remain the exclusive property of LU-VE. The Supplier shall be liable for any loss, destruction or damage thereto. The Supplier shall:
- a) register and mark the Equipment owned by LU-VE;
 - b) provide adequate insurance coverage against risks of fire, theft, vandalism, acts of God, unauthorised changes to the equipment and other insurable risks or losses or damages;
 - c) treat the Equipment with due care and perform routine maintenance;
 - d) notify LU-VE immediately for any extraordinary maintenance or replacement needs that may arise, it being understood that the execution of such repairs or replacement shall be authorised by LU-VE and carried out at its own expense;
 - e) not transfer the Equipment outside the Supplier's production facilities, nor use the Equipment for reasons other than the execution of the Contract.
- 17.4. Where the Supplier is required to produce, develop or purchase the Equipment to be able to supply the Machinery, the cost of such Equipment, as well as any contribution in this regard by LU-VE, shall be agreed upon between the Parties and detailed in a specific Contract.

18. WITHDRAWAL AND TERMINATION

- 18.1. Unless otherwise agreed upon between the Parties, LU-VE shall be entitled to unilaterally withdraw from the from the contractual relationship arising from the single Order and / or from the Contract, at any time and for any reason, upon written notice to the Supplier with a notice of 30 (thirty) days, without any indemnity, reimbursement or amount for any reason due to the Supplier or third parties.
- 18.2. Without prejudice to the other provisions of the present GTCM and all the remedies provided for by the applicable laws, LU-VE shall have the right to immediately terminate any Order and / or Contract, if the Supplier fails to fulfil, in whole or in part, its obligations.

- 18.3. LU-VE has also the right to request the termination of any Order and / or Contract, at any time, if the Supplier (a) is put into liquidation or subjected to any insolvency procedure (b) joins or is subjected, in any form, to the control, direct or indirect, of a competitor of LU-VE; (c) fails to fulfil the obligations set forth in the Order, the Contract and these GTCM; (d) is liable for the breach of any of the provisions of articles 22 (Compliance), 23 (Environment and Social Responsibility) and 24 (Statement and Policy on Mineral Conflict); (e) defaults in any of its obligations under law in relation to (i) the regular payment of the value added tax and the payment of the withholding tax to the tax authorities on the income from employees and (ii) the remuneration treatment, from the point of view both regulatory and economic, as well as contributory, welfare and insurance of its employees, or does not promptly send the relative documentation to LU-VE pursuant to paragraph 15; (f) is unable to perform its contractual obligations for reasons of force majeure that continue for a continuous period of more than twenty (20) working days.
- 18.4. In all cases of termination pursuant to this GTCM, the termination has effect starting from the receipt date by the Supplier of the notice – to be sent by registered letter with return receipt, fax or certified email (if any) – in which LU-VE informs its intention to use such clause. In all cases of termination and withdrawal, the Supplier will be required to immediately return to LU-VE the sum paid up to that moment, reimburse the incurred costs and any other payments made for the purchase of the Machinery. Unless otherwise agreed in writing between the Parties, once exercised the withdrawal or terminated the Order and / or the Contract, LU-VE undertakes to return the Machinery to the Supplier as soon as possible in the place indicated by the latter, charging the Supplier the costs of uninstalling and transporting the goods.
- 18.5. The termination pursuant to this article and in any other case does not affect the Supplier's obligations pursuant to paragraph 13.6 and article 19.
- 18.6. LU-VE shall be entitled to claim compensation for damages deriving from the violation of the provisions of the Order and / or Contract by the Supplier.

19. CONFIDENTIALITY

- 19.1. The Supplier shall not reveal or otherwise make accessible to third parties any information, of any type and in any form, which the Supplier has obtained or to which the Supplier has access as a result of the execution of the Order or the Contract or in relation to the same, including, but not limited to, the Confidential Information as well as any information related to the Intellectual Property Rights.
- 19.2. The obligation of the Supplier remains in force for the entire execution of the Order and / or for the full duration of the Contract and, thereafter, until the occurrence of the first of the following events:
- a) the related information, including Technical Information, becomes publicly available or otherwise available in the public domain, without such the Supplier negligence;
 - b) 5 (five) years have passed following termination of the execution of the Order and /or the Contract, for any reason.
- 19.3. Any communication with third parties relating to the existence and content of these GTCM via any means (press, radio, TV, other media) shall be agreed in advance between the Parties in writing.

20. FORCE MAJEURE

- 20.1. The Supplier will not be liable for the failure to supply, in whole or in part, or for the delay in the supply of the Machinery if such default or delay is due to an event of force majeure (including general or territorial or sectoral strikes of greater magnitude than the Supplier with the exception of internal strikes of the same).

- 20.2. If the Supplier is unable to supply the Machinery, in whole or in part, due to an event of force majeure, it shall immediately, and in any case not later than 24 hours from the knowledge of such event, of notify LU-VE of the occurrence of the event of force majeure. Furthermore, the Supplier shall indicate in detail the nature and the extent of the cause of the expected delay in the supply of the Machinery and the new situation deriving with regard to the possibility of supply, undertaking to remedy the abovementioned situation as soon as the related cause of force majeure ceases to exist.
- 20.3. For the entire duration of the force majeure event, the Supplier and LU-VE may agree additional measures necessary for the continuation of the supply for the execution of which the Supplier shall be liable. The impossibility for the Supplier to guarantee the supply, even after the appropriate adoption of all additional measures, is not deemed as default of its obligations. Notwithstanding of the above, if the supply does not restart within 20 (twenty) working days from the date in which the supply has been stopped or un-fulfilled, in whole or in part, due to the force majeure event, LU-VE has the right to terminate, with immediate effect, the Order and / or the Contract.

21. ASSIGNMENT AND SUBCONTRACT

- 21.1. The Order and / or the Contract are not assignable, in whole or in part, without prior written authorization from LU-VE, otherwise they will be deemed as terminated; it being understood the right of LU-VE to declare not to release the Supplier from liability.
- 21.2. The Supplier may subcontract, in whole or in part, the activities subject to supply by the Supplier, unless prior written authorization from LU-VE, otherwise the Order and / or Contract will be deemed as terminated;

22. COMPLIANCE

- 22.1. The Supplier represents to be aware of the provisions set forth in Legislative Decree 231/01, as well as to have fully examined and accepted the Code of Ethics and the Model pursuant to Legislative Decree 231/01, available on the www.luve.it (in the “*The Group/Code of Ethics*” section) and on the www.sest.it (in the “*Corporate*” section) websites, undertaking to acknowledge any updates published on the website.
- 22.2. In the performance of its services, the Supplier undertakes to behave in compliance with the Model pursuant to Legislative Decree 231/01 and the LU-VE Code of Ethics to avoid exposing LU-VE to the risk of being applied the sanctions provided for, and to inform its partners, employees and collaborators participating in the performance of the Contract and ensure they behave accordingly. The Supplier shall also immediately inform LU-VE in the event of circumstances effectively or even potentially affecting the Code of Ethics, or the occurrence of events which amount to breaching the standards of Legislative Decree 231/01.
- 22.3. Breaching even one of the obligations indicated in the LU-VE Code of Ethics is a serious contractual breach with all legal consequences and shall entitle LU-VE to terminate the Contract and all relations with the Supplier with immediate effect, without prejudice to LU-VE’s right to request compensation for any damages suffered.

23. ENVIRONMENT AND SOCIAL RESPONSIBILITY

- 23.1. The Supplier shall use all the resources and structures required to manufacture the Machineries (including materials, energy and water) in an efficient manner such that the environmental impact of the manufacturing process, particularly with regard to waste, wastewater, air and noise pollution, is kept to a minimum. The Supplier shall implement and maintain an environmental management system that is inspired by the requirements of the ISO 14001 standard.

- 23.2. The Supplier is responsible for the registration and, where necessary, for obtaining the appropriate authorisation, as well as providing due notice on the presence of chemicals in the Machineries, in compliance with the applicable legal requirements.
- 23.3. The Supplier also acknowledges that LU-VE actively encourages an eco-compatible workplace that is socially aware and sustainable and that LU-VE requires the Supplier to adhere to the same standards and principles and to act accordingly. In particular, the Supplier's conduct shall always be based on the Universal Declaration of Human Rights, on the ILO's Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy, and on the OECD Guidelines for Multinational Enterprises. The Supplier declares to comply with the applicable laws concerning the Child Labour.

24. STATEMENT AND POLICY ON CONFLICT MINERALS

- 24.1. LU-VE supports the fight against violence, human rights violations and environmental degradation for the extraction and commercialization of certain minerals in the geographical area encompassing the Democratic Republic of the Congo (DRC) and neighbouring countries (known as the "**Conflict Minerals Region**").
- 24.2. LU-VE undertakes not to obtain supplies of minerals or materials containing minerals referred to in EU Regulation 2017/821, deliberately supplied from the Conflict Minerals Region. Moreover, LU-VE undertakes to adopt a procurement process with its suppliers aimed at eliminating the use of these minerals from the entire production chain.
- 24.3. The Supplier declares to have knowledge of the legislation relating to Conflict Minerals and to refrain from using any minerals from the Conflict Mineral Region. LU-VE may ask the Supplier to submit a self-declaration confirming that it does not use the said minerals and cannot be liable for the truthfulness of the Supplier's declarations on the matter.

25. GOVERNING LAW AND JURISDICTION

- 25.1. The present terms and conditions, as well as details included in the Order, are governed by Italian law, with the express exclusion of the rules of private international law and any other source not expressly mentioned.
- 25.2. For all disputes concerning the interpretation and / or execution of the present terms and conditions or of the Orders, including those relating to their validity, the existence and any receivables due to LU-VE, shall fall under the exclusive jurisdiction of the Court of Varese, with the exclusion of any other alternative or concurrent jurisdiction. Said jurisdiction cannot be waived even in case of consolidation of actions.

26. PRIVACY POLICY STATEMENT

- 26.1. The Supplier acknowledges that the provisions of applicable privacy laws (EU Regulation 2016/679 of the European Parliament and Council of 27 April 2016 on the protection of individuals with regard to the processing of personal data, hereinafter referred to as the "**GDPR**") concern the processing of personal data, relating only to individuals, acquired and processed by LU-VE for the conclusion and execution of the Order and / or the Contract and are not applicable to data referring to companies, bodies and associations. For the purposes of this General Terms and Conditions of Purchase, LU-VE shall be able to process personal data concerning (i) the Supplier, whether the latter is an individual company or a freelancer, and/or (ii) the representatives, employees or collaborators of the Supplier.

- 26.2. The Supplier declares to be aware that, pursuant to article 13 of the GDPR, personal data communicated by the same Supplier for the conclusion and execution of the Order and /or the Contract, is collected and processed by LU-VE, as the Data Controller, exclusively for said purposes and to comply with related regulatory, administrative and accounting obligations, through appropriate methods and procedures (including computerised), through specially appointed internal staff and through external collaborators designated as data processors and data controllers. The Supplier acknowledges that, with regard to personal data processed for the conclusion and execution of the Order and /or the Contract, the natural person to whom the data refers (the “**Data Subject**”) is entitled to the right of access, rectification, limitation, deletion, portability and opposition (Articles 15-22 of the GDPR), as well as to the right to file a complaint with the Italian Authority for the Protection of Personal Data.
- 26.3. It is the Supplier’s responsibility to guarantee the lawful use of personal data concerning, by way of example and without limitation, its representatives, employees and collaborators, communicated to LU-VE for the purpose of concluding and executing the Order and /or the Contract and, in particular, the correct fulfilment of the related disclosure obligations towards the data subjects and, where necessary, the collection of their consent, with regard to the processing of their personal data by LU-VE for the aforementioned purposes.

Last update: January 2020

For Acceptance (Stamp and signature)

Supplier (Legal Representative)

Paragraphs no. 5, 6, 7, 8, 9, 10, 12, 13, 14, 15, 18, 19, 25, 26 are expressly approved.

Supplier (Legal Representative)