

GENERAL PURCHASING TERMS AND CONDITIONS

1. General provisions

These General Purchasing Terms and Conditions regulate and apply to all purchase orders (hereinafter, Order) issued by the Buyer. Any other General Conditions of the Supplier or changes to these conditions shall apply exclusively after expressed written approval by the Buyer. These General Purchasing Terms and Conditions also apply to all future business operations conducted with the Supplier.

The contractual conditions contained in the text of the Order, if conflicting, shall prevail over these General Purchasing Terms and Conditions.

2. Orders

All purchase orders and any changes thereof, shall be made in writing in order to be considered valid.

3. Delivery date; delays

The delivery deadline specified in the Order is considered a key element of the contract. The Supplier shall be bound to inform the Buyer in due course of any situations that may cause a risk of not complying with an agreed delivery date.

Unless otherwise agreed in the Order, in case of late delivery, the Buyer shall be entitled to apply a penalty of 0.5% of the Order's value for each late business day, up to a maximum sum of 10% of the Order's value. The amount of penalties due shall be deducted from the total consideration payable by the Buyer. The above without prejudice to the Buyer's right to receive compensation for additional damages, as well as the right to terminate the contract whenever the maximum value of the penalty mentioned above is reached.

4. Prices; billing; payments

The prices specified in the Order are binding. All prices quoted in the Order shall be inclusive of the delivery pursuant to the Incoterms 2010 agreed in section 6 of these General Conditions.

The Order's reference number and, if applicable, the number and date of the transport document (delivery note or equivalent) must be outlined in the invoice. The Supplier shall be responsible for any consequences deriving from a breach of this provision. Unless otherwise agreed in writing, payment shall be made within ninety (90) days according to the methods specified in the Order. The payment term shall be effective as of receipt of invoice and not before receipt of the goods. In any case, the Buyer reserves the right to suspend payment until the Order is processed correctly.

5. Packaging

The Supplier must use packaging suitable to guarantee the proper preservation of goods, even in

relation to the means of transportation and shipping used.

6. Delivery

Unless otherwise agreed in writing in the Order, deliveries shall be DAP (Incoterms 2010) The goods, where applicable, shall be accompanied by a delivery note with a list of all Order's references, prepared pursuant to law. Whenever, upon request of the Buyer, the goods are sent to a destination without transiting the Buyer's premises, the Supplier must forward the Buyer a copy of the issued delivery note. In case of shipping on behalf of the Buyer to third party premises, the Supplier must be responsible for any breach in which the Buyer is held accountable by the third party. The place of delivery specified by the Buyer must be observed without any exceptions. Any excess in the quantity of goods will be disposed of and returned at the expense and risk of the Buyer.

7. Order processing; documentation

Orders will be processed in compliance with the technical specifications, instructions, drawings, standards, delivery specifications, tests and any other instructions from the Buyer.

Orders must be inclusive of all relevant documentation which should be considered an integral part of the Order. Failure to provide the above documentation or a non-compliance of the requirements set out in the Order will result in the non-acceptance of the Order and suspension of payment until it is received in full. The goods and services shall conform to applicable laws. With reference to copies, graphics, drawings, calculations and other documents, materials or data provided thereof, the Buyer shall keep all intellectual property rights and copyrights and it is strictly forbidden to disclose said information and documentation to third parties without an expressed written authorisation. Said documentation may be used exclusively for the proper fulfilment of the Order. Once the Order is issued, the Supplier shall return said documentation to the Buyer. The above documentation shall be considered confidential and disclosure to third parties is forbidden. The obligation to preserve confidentiality shall remain in force even after the finalisation of the contract and shall cease if and to the extent in which the production know-how contained in the copies, graphics, drawings, calculations and other documentation provided become commonly known.

8. Confidentiality and non-competition obligation

The Supplier undertakes, on its own behalf and on behalf of its employees, collaborators, consultants and sub-suppliers to keep utmost confidentiality of the data, and information regarding the Buyer that is

gathered for any reason in relation to the execution of the Contract. Any news regarding the activities carried out by the Buyer, its assets and employees gathered during the execution of the contract shall fall within the scope of the above data and information. It is therefore forbidden for the Supplier to disclose to third parties or use the information gathered for purposes other than the execution of the contract.

In case of production based on drawings, models or samples owned or supplied by the Buyer, the Supplier undertakes not to produce or trade identical or similar products, directly or through a third party or company. Said obligation is binding on the Supplier and on its assignees and shall remain valid indefinitely.

9. Certificate of preferential origin; Supplier's declaration on export control

Upon request of the Buyer, the Supplier shall provide the Free Export Declaration, the Dual Use, the Certificate of Preferential Origin, the Certificate of Origin of the Products, as well as any other document or data requested by applicable laws on exportation.

10. Compliance with use restrictions of certain dangerous substances

The Supplier undertakes to comply with all delivery requirements and all prohibitions regarding certain substances envisaged in provisions of law in force in the European Union (in particular: EC Regulation 1005/2009 on substances that reduce the ozone layer, EU Regulation 517/2014 on fluorinated greenhouse gases, EC Regulation 1907/2006 on the registration, assessment, authorisation and restriction of chemical substances (REACH), EC Regulation 850/2004 on persistent organic pollutants (POP) and Directive 2006/66/CE on batteries and accumulators). Moreover, the Supplier undertakes to observe the limit values currently in force as envisaged by Directive RoHS (2011/65/EU). Said obligation shall also apply to products that do not fall within the scope of the Directive. This provision excludes only products that due to their nature or composition, cannot be components of electronic products of the Buyer's line of products, such as for example, stationary materials, office furniture, production equipment and so forth.

11. Code of Ethics and Italian Legislative Decree No. 231/01

The Supplier undertakes to abide by the principles of the Buyer's Code of Ethics (available at sick.com/de/en/our-philosophy/code-of-conduct).

The Supplier declares to be aware of the contents of Legislative Decree No. 231 of 8 June 2001 ("Regulation on the administrative liability of legal persons, companies and associations, including those without legal status, in compliance with article 11 of Law No. 300 of 29 September 2000").

The Supplier acknowledges that the Buyer has adopted an Organisational, Management and Control Model pursuant to Legislative Decree No. 231 of 8 June 2001 which can be downloaded from the website www.sick.it. The Supplier declares to have read the Buyer's Organisational, Management and Control Model, to fully know its contents and to ensure its observance.

Failure to comply with said provisions will constitute a serious breach of the contractual obligations. The Buyer has the right to terminate the contract immediately pursuant to article 1456 of the Italian Civil Code by forwarding a registered letter with advice of delivery or through certified e-mail. The termination of the contract shall take effect as of the date of receipt of the registered letter or certified e-mail. The above without prejudice to the Buyer's right to receive compensation for any damages caused from a breach by the Supplier.

12. Guarantee

The Supplier guarantees that the goods subject to this contract conform to the agreed characteristics and technical specifications and are suitable for purposes of the supply. Moreover, the Supplier guarantees that the materials used are free from any flaws and defects, including hidden defects and that the processes are carried out in a proper and workmanlike manner.

The Buyer has the right to inspect the goods with reference to any deviations in terms of quality and quantity, within a reasonable period of time. To that end, the application of the provision envisaged in article 1490 and subsequent articles of the Italian Civil Code are waived. The Supplier warrants that the goods are free from any defects for 24 months after delivery, unless otherwise agreed in the Order.

If defects are reported, the Buyer shall have the right, at its own discretion, to claim one of the following remedies from the Supplier:

- remove the defects
- deliver a new product
- a proper reduction of the purchase price. If

the Supplier fails to repair or replace the defective product within a reasonable time, the Buyer will have the right to contact a third party to repair or replace the product or proceed directly and charge the Supplier for the incurred expenses.

If after discovering a defect, special urgent situations are evident, enough to require an immediate intervention, the Buyer reserves the right to intervene directly in order to resolve the defect, even without a prior report thereby charging the Supplier for the respective costs.

The Buyer has full an unrestricted right to enforce legal guarantee claims and claims for damages in case of material or formal defects.

13. Liability; insurance

Moreover, the Supplier must comply with the guarantee conditions of the previous section and compensation for any damages that the Supplier may cause in the execution of the contract or resulting from any defect in its supply. In case of damages to third parties, the Supplier shall indemnify and hold the Buyer harmless from any claim brought by third parties suffering the damages.

The Supplier must ensure that the delivery or use of assets does not violate any patent rights, copyrights, trademark rights or intellectual property rights of third parties. In case of claims brought by third parties against the Buyer, the Supplier shall indemnify and hold the Buyer harmless.

The Supplier undertakes to maintain proper insurance policies for third party liability, employer's civil liability and product liability with a maximum coverage suitable for the supply. In any case, the Supplier's liability will not in any way be limited to the limit of liability of said policies.

14. Force majeure

In the event of force majeure, by way of example, but not limited to natural disasters, epidemics, military interventions, terrorist attacks, riots, trade union disputes or government interventions, etc., the Party suffering the loss, must immediately inform the other party and the term to execute the contract shall be extended for a period equal to that of the force majeure event. If the force majeure event persists for a period of more than a month, the Buyer may rescind from the contract, in part or in whole.

A delay by sub-suppliers may not in any case be considered a force majeure event.

15. Data protection

The Buyer is authorised to process any data regarding the Supplier that is received as a result of business dealings or with reference to those within the scope of provisions of applicable laws.

16. Termination

Even without justified reason due to own needs or those relating to dealings with the end customer, the Buyer may terminate the contract by providing a reasonable written notice. The Buyer shall make payment for the sum corresponding to the activities already rendered or goods already supplied and shall reimburse for any expenses already borne by the Supplier that are not covered with said payment, as long as they are justified and provable. In the event that the contract is terminated due to a fact attributed to the Supplier, the Buyer shall reserve the right to offset said payment with any claims for compensation of damages.

The Buyer shall have the right to terminate the contract immediately pursuant to article 1456 of the Italian Civil Code by forwarding a reasonable written notice, even by e-mail, given the following circumstances:

- The maximum penalty amount is exceeded;
- Breach of the guarantee terms envisaged in section 12
- Breach of the confidentiality duty and non-competition agreement.
- Discontinuance of business activities
- Start of insolvency procedures
- Breach of the code of conduct and Legislative Decree No. 231/01.

If the contract is terminated, the Buyer reserves the right to claim for compensation of damages.

17. Transfer of rights

The supply contract or the rights or individual obligations thereof may not be transferred to a third party without expressed approval by the Buyer.

18. Quality and audits

The Supplier undertakes to inform the Buyer of the date of execution of the final tests on the product or service at least 15 days in advance and if agreed, the date of every interim test during the realisation of the product, so that it can allow the Buyer to attend said tests if deemed necessary.

The Buyer shall be entitled to inspect and check the Goods, the Supplier's systems and that of its sub-suppliers, including processes and procedures at any time before the delivery by forwarding a written notice from the Buyer to the Supplier. Therefore, the Supplier undertakes to guarantee free access to its offices and systems on the part of inspectors appointed by the Buyer, as well as by staff or third parties assigned by the Buyer and provide said persons the necessary assistance in order to allow them to conduct the inspections, audits or testing, including the use of equipment and appropriate tools.

If following the results of the inspections or tests, the Buyer believes that the Goods, systems, processes or procedures are likely to be conforming to the Purchase Order or procedure called therein, the Buyer must then inform the Supplier and the latter must immediately adopt the necessary measures to guarantee conformity.

Moreover, the Buyer has the right to request and attend additional tests and inspections to ensure that the measures adopted are suitable.

Despite any inspection or test, the Supplier shall remain the only one responsible for the supplied Goods.

The inspectors or employees or third parties assigned by the Buyer shall have the right to deny the Supplier or its sub-suppliers authorisation to ship

goods or components thereof that during the inspection, check or test, are non-conforming to the Purchase Order or documents cited therein.

19. Waste management and disposal

In the event that the activities or supply require the production of waste, it is the Supplier's responsibility to comply with all obligations set out by applicable laws on waste management. In particular, it shall be the Supplier's obligation, as producer of waste materials, to transport and deliver them for treatment. To that end, the Supplier:

- represents and warrants that the transportation and treatment of waste will be assigned exclusively to authorised third parties registered in the Register of Environmental Managers or authorised with other procedure set out by applicable laws;
- represents and warrants that if the waste is transported independently according to the restrictions envisaged by law, the Supplier must be registered to the Register of Environmental Managers
- Own Account Transport Cat. 2bis-;
- undertakes to provide the Buyer all the documentation regarding the above activities (e.g. Authorisations; F.I.R.; waste tracking control files (SISTRI), where applicable; etc.).

20. Workers' health and safety

While carrying out the Services and during the realisation of the Goods, the Supplier shall abide by the following obligations:

- a) shall pay its staff regularly and shall strictly abide by the employment contracts and applicable collective agreements, as well as promptly comply with own social security obligations pursuant to applicable laws;
- b) shall strictly observe standards on workplace, health, safety and the environment;
- c) if requested by the Buyer, shall provide a certification proving payment of social security contributions to employees and collaborators who rendered their work for the execution of the Purchase Order (DURC) (Contribution Payment Certificate), as well as documents proving registration to INAIL (the National Institute for Insurance against Accidents at Work) and the respective premium payments;
- d) shall ensure that employees and collaborators who render their work pursuant to this contract strictly observe workplace safety standards (in particular Legislative No. Decree 81/08);

As condition for payment of the consideration due to the Supplier, the latter must, upon request of the Buyer, provide supporting documentation regarding the fulfilment of the obligations specified above.

The Supplier shall be responsible for any consequences arising from a breach of the obligations of this section, including any expenses incurred by the Supplier because of said breach.

To that end, the Supplier shall indemnify and hold the Buyer harmless from any claim brought against the Buyer by whoever for whatever reason.

21. Severability of the contractual clauses; place of performance and jurisdiction

The invalidity of one or more clauses of these General Conditions shall not affect their validity in their entirety, which shall remain valid and enforceable.

The place of performance shall be the starting/delivery place defined in the Order. If not defined in the Order, the place of performance shall be the one at the Buyer's executive offices.

In the event of disputes arising directly or indirectly from this contract, the competent court shall be where the Buyer's head office is located. Moreover, the Buyer, at its own discretion, shall have the right to summon the Supplier to the Court where it holds its head office or branch or to the Court of the place of performance.

All contractual relations shall be governed exclusively by Italian law, even in cases in which the contracting parties have a head office abroad. The United Nations Convention on Contracts for the International Sale of Goods of 11 April 1980 (CISG) is expressly excluded.

Place and date _____

SUPPLIER'S Stamp and Signature)

In compliance with article 1341 and subsequent articles of the Italian Civil Code, the Supplier declares to have carefully read and expressly approves the following sections of this General Purchasing Terms and Conditions:

1,2,3,4,6,7,8,9,11,12,13,14,16,17,18,19,20,21.

SUPPLIER'S Stamp and Signature)
