

GENERAL TERMS AND CONDITIONS OF PURCHASE FOR GENERAL GOODS AND SERVICES (INDIRECT MATERIALS) rev.02 del 05.06.23

1. GENERAL

These general conditions of purchase rules any contractual relationship between hGears SpA (hereinafter the "**Customer**") and their suppliers (hereinafter the "**Supplier**") for the supply of goods and services (hereinafter the "**Goods**" and the "**Services**") not directly involved with the final product to the Customer, which produces units for the transmission of motion, machines, equipment and tools (hereinafter the "**Products**") according to a purchase order by the Customer (the "**Order**") accepted by the Supplier, as well as according to any specific agreements entered into by and between the Customer and the Supplier. Amendments and additions to these general terms and conditions of purchase must be agreed in writing.

2. PURCHASE AGREEMENT

2.1 A purchase agreement is concluded when an order placed by the Customer is accepted by the Supplier or if the Supplier, without having expressly accepted the Order, executes the performance specified in the Order. Orders are managed through the Customer portal.

2.2 In the event of a stipulation in writing of any further possible agreements between the Customer and the Supplier (the "**Agreement**"), these conditions still apply to the extent that they are not departed from, or inconsistent with, the Master Agreement.

2.3 Unless otherwise agreed between the Parties, in case of inconsistency between Order and general terms and conditions of purchase, the provisions contained in the accepted or executed Order shall prevail.

3. NON-EXCLUSIVE RIGHT

There is no exclusive right in favor of the Supplier.

4. DELIVERIES

4.1 The Supplier shall deliver the Goods and Services on the date fixed by the Order. The Supplier must inform the Customer of any event that may endanger the timely performance of the deliveries. If the Customer notifies the closure of its warehouse for holidays or inventory, the Supplier shall postpone the deliveries scheduled during the closing period at the reopening date.

4.2 If the amount of Goods and Services delivered does not conform to the one agreed upon, the Customer shall have the right to:

- a) In case the quantity delivered is bigger than the ordered one, (i) accept the bigger quantity delivered, ascribing as account on the following deliveries of the same Good or Service, being understood that the price on the bigger quantity delivered must be paid to the Supplier together with the price of the next scheduled delivery; or (ii) reject the surplus, which will be returned using conventional carriers by the Customer to the Supplier at risk and expense of the latter;
- b) in case the quantity delivered is smaller than the ordered one, obtain immediate shipment by the Supplier of the missing Goods or Services, at Supplier's expenses.

4.3 In case of late delivery with respect to the term as specified in the Order not due to force majeure circumstances, the Customer in addition to the remedies provided by the law, shall have the right to cancel the Purchase Order, refuse the performance therein and buy from another supplier, charging to the Supplier the possible greater expenditure, except for the compensation for damages and the right to obtain from the Supplier a refund of any possible charge, due to the delay, debited to the Customer by the end customer.

4.4 Unless otherwise agreed between the Parties, deliveries must take place by the headquarters of the Customer according to terms DAP (Incoterms® 2010).

The receipt of the Good or Services by the Customer and the payment of the price does not imply any waiver of the Customer to the rights and the actions to which it will be entitled according to the agreement and/or to the law.

5. OBLIGATIONS TOWARDS STAFF

5.1 The Supplier guarantees that the activities related to the provision of Goods and/or Services of which the order refers to, will be carried out employing persons with regular employment contract according to present terms of law and the national collective labor contract, in compliance with safety regulations.

5.2 The Supplier represents and warrants that it is in compliance with obligations relating to the payment of social security contributions of their employees and collaborators required by law, and hereby agrees to respect those obligations and, on customer request, exhibits the documentation proving the fulfillment of those obligations.

5.3 To allow, under the responsibility of the provider, the access of its employees and collaborators at the Customer's site, according and following the Customer's safety standards, the Supplier must communicate in advance a complete list of full names of persons who will have to access the plant.

6. OBLIGATIONS RELATING TO SAFETY AT WORK

6.1 In accordance with the provisions of Legislative Decree 9th of April 2008 n.81, in particular referring to art. 26, in case of asking the Supplier to provide the work, provision of services and supply of Goods in the Customer's plant, the Supplier:

- (a) agrees to comply with current regulations on conformity, packaging and transport certification;
- (b) agrees to provide documentation proving their technical and professional qualifications;
- (c) declares under his responsibility that they have received from the Customer, detailed information regarding the specific existing risks present in the Customer's plant and the preventive adopted emergency measures;
- (d) agrees to make sure that their employees and collaborators will adapt to the current security plan, reserving the Customer the right to request in any moment and without any justification the replacement of the individuals that doesn't respect the safety norms and regulations;
- (e) will be cooperative regarding the implementation of the safety norms and procedures to prevent hazardous situations and accidents regarding the contract in object;
- (f) will coordinate together with the Customer to manage correctly the interference related risks, following the D.U.V.R.I. content, which is drafted by the Customer and must be return signed and stamped;
- (g) declares that it has fulfilled its legal obligations on insurance, social security and protection of workers, including working and safety equipment;
- (h) will follow and respect what it is indicated in the D.U.V.R.I. document and sustain the safety related costs as requested;
- (i) will provide its employees with an identification card displaying a photograph, personal and working details;

6.2 The Supplier is committed to respect the current law regarding safety in the workplace and environmental pollution. The Supplier will also follow the regarding measures adopted by the Customer to this extent.

7. QUALITY AND CONTROLS

7.1 Unless otherwise agreed in advance, the Supplier, at its own expense and costs, undertakes to perform and/or to carry out the tests and/or the controls necessary to establish the reliability and suitability of the Products for the intended utilization and their compliance to the requirements provided by the Customer as well as to the Italian and foreign laws. The results of the above checks and tests will not bind the Customer, who shall have the right to approve the supply at its sole discretion. If required by the Customer, the Supplier shall deliver a sample of the Products.

7.2 The Supplier states to comply with the requirements provided by the "Quality Manual for Suppliers" of the Customer and undertakes to put in place and maintain resources and control and production processes suitable to ensure that the Products to be delivered are, at any time, made up with reliable materials and labour, of proper quality and compliant to the technical requirements of the Customer.

7.3 Considered the commitment of the Customer to promote its environmental and protection of health and safety in the workplace policy also by its suppliers, the Supplier acknowledge, for having received a copy, the procedure of the Customer for the management of the indirect environmental aspects related to the manufacturing of goods and agrees to apply the provisions of the same procedure. The Supplier also agrees to comply with the current environmental law (Legislative Decree no. 152/2006, and following amendments) as well as with the law for the protection of health and safety in the workplace (Legislative Decree no. 81/2008, and following amendments)

8. PRODUCTS WARRANTY

8.1 The Supplier shall warrant the end customer for a period of two (2) years as from the date of delivery for the conformity of the Products with the applicable law and to all the agreements entered into between the parties, as well as the lack of defects and flaws. Any discrepancies and/or defects of the Product must be reported by the Customer within 60 (sixty) days as from the date of knowledge of the defect by the Customer, by written notification to the Supplier.

8.2 In case of defected Goods the Customer has the right to (i) obtain at Supplier's expenses the immediate replacement of the faulty Goods with consistent Goods or, at discretion of the Customer, (ii) return to the Supplier - at the expense and risk on the latter - the whole lot in which were found the faulty Goods and terminate the purchase for the part pertaining the Goods returned. In urgent cases, or in cases where the Supplier is unable to timely manage the situation, the Customer may also carry out or appoint third parties to carry out remedies on the faulty Goods in order to eliminate the defects. The foregoing does not prevent in any way the right of the Customer to obtain reimbursement of all costs related and due to the presence of the defects (including the amounts that the Customer could have paid to end users because of the faulty Goods) and the compensation for damages, even for production standstill.

8.3 In case of defected Services the Customer has the right to (i) obtain at Supplier's expenses the immediate fix of the faulty Services or, at discretion of the Customer, (ii) price reduction. In urgent cases, or in cases where the Supplier is unable to timely manage the situation, the Customer may also carry out or appoint third parties to carry out remedies on the faulty Services in order to eliminate the defects. The foregoing does not prevent in any way the right of the Customer to obtain reimbursement of all costs related and due to the presence of the defects (including the amounts that the Customer could have paid to end users because of the faulty Products) and the compensation for damages, even for production standstill.

8.4 The Supplier undertakes to conclude and maintain, at its own expense, for the entire duration of the supply to the Customer a suitable insurance policy for liability insurance products, with waiver of recourse against the customer. The Supplier agrees to send to the client a copy of said policy agreement and any subsequent amendments.

9. PAYMENT - NO CREDIT ASSIGNMENT

9.1 The Supplier shall not assign or delegate its credit towards the Client in any form.

9.2 The Supplier agrees to insert in each invoice issued to the Client an express statement of prohibition of assignment or delegation of the credit towards the Customer. If not, the Customer shall have the right to reject the invoice of the Supplier and to claim for the regularization of it.

10. NO ASSIGNMENT OF THE AGREEMENT

The Supplier shall not assign, in whole or in part, the purchase agreement, to a third party.

11. SUBCONTRACTORS

The Supplier shall not subcontract unless otherwise previously agreed in writing with the Customer.

12. APPLICABLE LAW AND JURISDICTION

12.1 These terms and conditions of purchase, the purchase orders and the purchase agreements regulated by said terms and conditions are ruled by the Italian law with the exception of the application of the rules on conflict of laws or of any other international agreement.

12.2 Any dispute between the parties relating to these general terms and conditions of purchase, the purchase orders and the purchase agreements regulated by said terms and conditions shall be exclusively submitted and definitively settled by the Court of Padua, Italy.

13. CODE OF ETHICS

The Supplier is aware of the content of the Code of Ethics "HR 04 vers.1" of the Customer and is committed to acting in a manner consistent with the provisions contained therein.

14. PRIVACY

According to Section 13 of the Legislative Decree no. 196/2003, the Parties shall mutual agree to the inclusion and processing of their personal data in their respective database.

By signing the Supplier declares to have read these general conditions of purchase and that they are fully accepted.

Date: _____ The Supplier: _____

According to Section 1341 of the Italian Civil Code the Supplier declares to know and to accept unconditionally the provision under Section 6 (DELIVERIES); 7 (QUALITY AND CONTROLS) 8 (PRODUCTS WARRANTY) 9 (PAYMENT - NO CREDIT ASSIGNMENT) 10 (NO ASSIGNMENT OF THE AGREEMENT); 11 (SUBCONTRACTORS); 12 (APPLICABLE LAW AND JURISDICTION)

Date: _____ The Supplier: _____