

1. Orders

- 1.1 Orders may be executed in written or electronic form as for example via e-mail, and shall be confirmed by the Supplier and returned to the Purchaser without any delay. In the event the Purchaser does not receive the Supplier's confirmation within the period notified in the Order, or, in absence of such period, five (5) business days from dispatch of the Order, the Order shall be deemed to have been accepted by the Supplier. If, however, the Supplier notifies the Purchaser in writing within said period that it accepts the Order with certain changes, for example a different time of delivery than requested by the Purchaser, the Purchaser shall have the right to cancel the Order.

2. Discontinuance of supply

- 2.1 The Supplier undertakes to produce and supply the Components in accordance with the Specifications, the latest agreed product descriptions, including drawings referred to in such product description and at the prices specified in the Purchase Agreement. The Supplier undertakes to indemnify and hold the Purchaser harmless for any damages, costs and expenses which the Purchaser might incur due to the Supplier's failure to comply with such undertaking. The Supplier may, during the life of this Purchase Agreement, not discontinue supply of any Components without the Purchaser's prior consent.

3. Time of delivery and delays

- 3.1 The Supplier undertakes to deliver the Components within the time specified in the Order, if not otherwise stated in the order confirmation.
- 3.2 If the Supplier does not deliver the Components within the agreed delivery date as set out above, the Purchaser is entitled to liquidated damages for each commenced week of delay at two (2) per cent % of the value of the ordered but not delivered Components, however for a maximum period of up to 15 weeks. If delivery is delayed by more than 4 weeks, the Purchaser shall in addition thereto be entitled to cancel the Order relating to the delayed delivery. If the Order is cancelled the Supplier is strictly liable for all losses which are not covered by the liquidated damages including costs for the difference in price due to covering purchases from third parties.
- 3.3 If the Supplier cannot perform delivery as agreed or if a delay in delivery is likely to occur, the Supplier shall immediately notify the Purchaser in writing, indicating the cause of the delay, the new time of delivery and the means of transportation to be used. The Supplier shall in such case deliver the goods by such means of transportation, which so far as possible will reduce the delay. All additional costs for such means of transportation shall be borne by the Supplier. If the Supplier fails to give notice to the Purchaser according to this Section 3.3 the Supplier shall, in addition to liquidated damages according to Section 3.2 reimburse the Purchaser for any additional expenses which would have been avoided if the Purchaser had received notice in time.

4. Terms of delivery

- 4.1 The Components shall be delivered according to terms stated in the Purchase Agreement.

5. Quality control and inspections

- 5.1 The Supplier shall inspect the loading and, if not otherwise instructed by the Purchaser, seal all shipments before dispatch.
- 5.2 The Supplier shall forthwith obtain and supply certificates and/or declaration of origin including duplicates thereof to the Purchaser in a form required by the Purchaser at the Suppliers own cost and expense. The Supplier shall bear all costs incurred by the Purchaser due to the Suppliers non-performance in respect with this Section 5.2.
- 5.3 Prior to delivery, the Supplier shall provide evidence that quality control has been performed. The Supplier shall keep all such documents and copies shall be sent to the Purchaser on demand without any further costs.
- 5.4 At the first delivery of a new Component to the Purchaser, the Supplier shall produce reference samples with attached measure protocols. The reference samples shall be produced in the same equipment as future serial production. If requested by the Purchaser, the Supplier shall, at its own cost and expense and at its own risk, store all reference samples (including reference drawings) or if the Purchaser so requires, place a sample at the Purchaser's disposal free of charge.
- 5.5 The Supplier shall upon request from the Purchaser, without any additional compensation, prepare documentation regarding the Supplier's processes and necessary documentation for quality assurance of each individual Component.
- 5.6 The Purchaser shall have the right to inspect the manufacture of the Components at the place where manufacture is carried out at any time during the life of this Purchase Agreement. The Purchaser shall inform the Supplier about the time for inspection at least five (5) business days prior to each visit. At such inspections the Purchaser is entitled to bring any advisor or to be represented by any representative(s). The Supplier shall assist at inspections and provide all information required by the Purchaser. Each party shall bear its costs in connection with inspections. The Purchaser's inspection shall not affect the Supplier's liability for defects.
- 5.7 The Supplier is obligated to inform the Purchaser and get the Purchaser's approval before any change in the production process of the Components takes place or if the production of the Components will be moved to any new machinery or production facility.

6. Packaging and marking of the Components

- 6.1 The Supplier shall - unless specific instructions on packaging have been communicated by the Purchaser - ensure that the Components are packed to withstand delivery, damage and deterioration before the Components reach their ultimate destination and fulfil reasonable expectations regarding appearance.
- 6.2 All wooden packing material shall be in accordance with the national legislation of the Purchaser (for instance in EU it is currently the ISPM15 Directive).
- 6.3 All deliveries and packing units must be marked with the Purchaser's purchase order number, item number and quantity. As instructed from time to time by the Purchaser the Supplier shall mark the Components and packaging with inter alia the Purchaser's trade mark and trade name. Nothing herein shall be interpreted as granting the Supplier a right or a license to use the Purchaser's trade name or the Purchaser's trade mark(s).

7. Forecasts

- 7.1 The Purchaser shall on the Supplier's request provide a forecast of estimated future orders of the Components. The Purchaser makes no representations, warranty or guarantee of any kind as to the accuracy of the forecasts of future orders or production volumes.
- 7.2 The Supplier shall maintain a delivery capacity which permits the Supplier at any given time to deliver fifty (50) per cent above the volumes set out in the Purchaser's forecast.

8. Prices

- 8.1 Prices are specified in the Purchase Agreement.
- 8.2 The Supplier warrants that all prices relating to sale of the Components are no less favourable than those extended to any other customer of the Supplier for the Components or similar components or services in like quantities. If the Supplier sells to another at a price more favourable than contained in any Purchase Agreement and/or Order, the price in the Purchase Agreement and/or Order will be adjusted to meet the more favourable term.
- 8.3 If similar components on the market, which perform with the same specifications, or better, and like quantities which were set for the Components, are more than 3% favourable, the Purchaser reserves the right to inform the Supplier about such components and if the competitiveness is not re-established and the price adjusted by the Supplier, the Purchaser is entitled to cancel any outstanding, not manufactured, Order related to such Component.

9. Terms of payment

- 9.1 Unless otherwise agreed between the parties, the Supplier shall invoice the Purchaser at the earliest on the date of dispatch of the Components from the Supplier. Terms of payment shall be ninety (90) days net from the date of invoice.
- 9.2 The Purchaser may set-off any amount payable to the Supplier under this Purchase Agreement if there is an uncontested and due claim under any agreement between the Purchaser and the Supplier.

10. Sub-contractors

- 10.1 The Supplier shall not be entitled to appoint sub-contractors for the manufacture of the Components without the Purchaser's prior written consent. The Supplier shall cause sub-contractors, which may be appointed according to this Section, to act in every respect in conformity with the provisions of this Purchase Agreement. The Supplier is solely responsible for any act or omission by such sub-contractors.

11. Liability for defects – in general

- 11.1 The Supplier ensures that each Component will be produced in accordance with the Specifications and that the Components are free from defects in design, workmanship and material. The Supplier further ensures that all delivered Components comply with the RoHS and REACH Directives; if the articles supplied contain one or more substances from the "candidate list" (called SVHC) in a percentage greater than that allowed, the supplier is obliged to notify.
Pursuant to the provisions set out in this Section 11 the Supplier shall remedy any defect in the Components or nonconformity with this Purchase Agreement (hereinafter jointly referred to as "defect(s)").
- 11.2 If defects causes the Purchaser to be delayed in relation to its customers and/or the Purchaser incurs a production stop the Purchaser shall, in addition to the remedies set out in Sections 12-14 below, also be entitled to receive compensation from the Supplier for any loss suffered by the Purchaser due to late delivery to the Purchaser's customers and/or the Purchaser's production stop including, but not limited to, loss of production, rental costs, loss of profit and cost of capital.

- 11.3 Notwithstanding anything to the contrary in this Purchase Agreement and in addition to the Supplier's liability according to Sections 12-14 below, the Supplier shall always be liable for all personal injury or property damage, or any other damage that the Purchaser may be responsible for, caused by the Components regardless of whether or not the Supplier has acted with negligence. The Supplier shall, during the period of this Purchase Agreement and for a period of one year thereafter, have a satisfactory liability insurance covering against the aforementioned damage that the Purchaser may responsible for. The Supplier's liability insurance shall be global. If requested and prior to supplying any Components hereunder, the Supplier shall provide the Purchaser with a certificate of insurance with the coverage required above.

12. Liability for defects – Line Rejects

- 12.1 Defects that are detected during the incoming inspection of the Components or during the assembly phase of the Products prior to dispatch to third parties shall be remedied by the Supplier in accordance with the provisions of this Section 12.
- 12.2 Upon discovery of defective Components during the incoming inspection of the Components the Supplier shall without delay deliver substitute Components to the Purchaser. The Supplier shall be liable for all freight costs for the substitute Components.
- 12.3 Upon discovery of defective Components during the assembly phase of the Products the Supplier shall issue a credit note to the Purchaser of the purchase value of the defective Components and of any additional costs incurred.
- 12.4 The Purchaser shall return defective Components to the Supplier at the Supplier's expense. However the Supplier may, at its own discretion, instruct the Purchaser to discard the defective Components instead of returning them to the Supplier. In such case the Supplier shall provide the Purchaser with instructions on how to handle the defective Components in respect to recycling, environmental aspects etc. The Supplier shall reimburse the Purchaser for all expenses in connection with the defective Components.

13. Liability for defects – Field Failures

- 13.1 Defects that are detected subsequent to dispatch of the Products to third parties ("Field Failures") shall be remedied by the Supplier in accordance with the provisions of this Section 13.
- 13.2 Upon discovery of Field Failures the Supplier shall issue a credit note of the purchase value of the defective Components to the Purchaser.
- 13.3 In addition to the above, the Supplier shall be liable for all costs in connection with replacement of the defective Components. The Purchaser is entitled to engage a third party to replace the defective Components and such costs shall be included in the costs reimbursed by the Supplier according to this Section 13-3.
- 13.4 Upon the Suppliers request the Purchaser shall return defective Components to the Supplier at the Supplier's expense.

14. Liability for defects – Epidemic Failures

- 14.1 Defects in design of, material in or workmanship of a Component occurring at an excessive rate ("the Epidemic Failure Rate") above 10 000 ppm (parts per million) with the same Component or for the same reason, measured on a batch, monthly or yearly basis (as reasonably determined by the Purchaser) ("Epidemic Failures") shall be remedied by the Supplier in accordance with the provisions of this Section 14.
- 14.2 The Epidemic Failure Rate is measured by dividing the number of defects with the number of delivered Components under this Purchase Agreement during the same period/the same batch basis and then multiplying the result by one (1) million. The Epidemic Failure Rate is not intended to be the average value over the validity of this Purchase Agreement, but is intended to be a punctual failure value during the measured period.

Ex.

Number of delivered Components: 1000

Number of defects: 10

Field Failure Rate: $(10/1000) \times 1\,000\,000 = 10\,000$ ppm

- 14.3 In the event of an Epidemic Failure, the Purchaser shall be entitled to return to the Supplier, for a full refund, all of the Components to which such Epidemic Failure relates without having to prove that each of such returned Components has the underlying defect.

The Supplier shall also:

- a) indemnify the Purchaser for all costs incurred in rectifying any Components that may be affected by the Epidemic Failure (including any market intervention/product recall procedures of any Components that may be affected by the Epidemic Failure), and
- b) promptly advise the Purchaser of actions taken with regard to future production in order to avoid continuation of the Epidemic Failures, and
- c) pay damages for losses incurred by the Purchaser due to the Epidemic Failures.

15. Notice and handling of defects

- 15.1 Notice of defects, including a description of the defect, shall be made within sixty (60) days after the defect was detected by the Purchaser and the Purchaser has understood the nature and significance of the defect.
- 15.2 The Supplier is entitled to inspect the defective product at its own cost at the Purchaser's site or request the Purchaser to return the defective Components at the Supplier's own expense for analysis. If the Supplier fails to exercise inspection of defective Components according to this Section 15.2 the Supplier shall further be deemed to have accepted the Components as defective.
- 15.3 In case the Purchaser returns Components which are not defective according to this Purchase Agreement the Supplier is entitled to invoice the Purchaser for freight costs and substitute Components in case such Components have been re-delivered to the Purchaser.
- 15.4 If the Purchaser possesses a claim due to the fact that the Components are defective the Purchaser shall be entitled to withhold payment in an amount corresponding to the amount of the claim until the Purchaser has been fully compensated for the claim.

16. Time limitation on claims

- 16.1 The Supplier's liability is limited to defects which appear within a period of three (3) years from the date of delivery. As to substitute Components, the same time limitations shall apply from the date of delivery of the substitute Components.
- 16.2 The Supplier's limitation of liability described above shall however not apply (i) if the Supplier has acted with gross negligence or in bad faith; or (ii) in relation to Epidemic Failures irrespective of whether the Supplier has acted with gross negligence or in bad faith.

17. Compliance with laws

- 17.1 The Supplier shall, during the life of this Purchase Agreement, comply with relevant national and international laws, rules, conventions, regulations, provisions and other mandatory requirements within the European Union and in the United States.

18. Infringements of a third party's rights

- 18.1 The Supplier shall fully indemnify and hold harmless and defend the Purchaser against any action, claim, damages, demand, costs, charges and expenses arising from or incurred by reason of any infringement or alleged infringement of any patents, registered trademarks or any other intellectual property rights caused by the use of the Components.
- 18.2 The Supplier's liability under Section 18.1 is subject to the Purchaser notifying the Supplier of any complains within a reasonable period upon receiving notice of any such claim and providing the Supplier with available information and cooperate in the defence of the claim. The Supplier shall control the defence of, and at its sole option, defend or settle any and all claims, including any settlement negotiations or appeals.

19. Intellectual property rights

- 19.1 All drawings and other technical documents regarding the Components or their manufacture submitted by one party to the other, prior or subsequent to the formation of the Purchase Agreement, shall remain the property of the submitting party. Drawings, technical documents or other technical information received by one party shall not, without the consent of the other party, be used for any other purpose than that for which they were submitted. They may not without the consent of the other party be copied, reproduced, transmitted or otherwise communicated to a third party.
- 19.2 Notwithstanding anything contained in this Purchase Agreement, the parties shall not at any time acquire or have been granted a right to any intellectual property right belonging to the other party. For the avoidance of doubt, all modifications and development of drawings and other technical documents regarding the Components or their manufacture submitted to the Supplier by the Purchaser shall be vested in the Purchaser's intellectual property rights. The Supplier shall not at any time acquire or have been granted a right to use such modifications or developments for any other purpose than this Purchase Agreement, irrespective of by whom the modifications or developments are performed.

20. Equipment, Tools and Dies

- 20.1 Any type-specific equipment, tools and dies supplied or paid for by the Purchaser under this Purchase Agreement ("Type-Specific Equipment") shall at all times be the property of and vest in the Purchaser and shall be returned to the Purchaser upon request. Any Type-Specific Equipment relevant for this Purchase Agreement is, when applicable, listed in an Appendix to Purchase Agreement or an Exhibit to the Order. The Supplier may only use the Type-Specific Equipment for the purposes of an Order.
- 20.2 The Supplier undertakes, at its own costs and expenses, to exercise due care in relation to the Type-Specific Equipment, to store the Type-Specific Equipment according to prevailing trade norms, to carry out necessary maintenance and to keep the Type-Specific Equipment insured to an amount not less than the replacement value. The Supplier may not without prior written approval from the Purchaser renew, make changes in or scrap the Type-Specific Equipment.

21. Confidentiality

- 21.1 The Supplier may not during the term of this Purchase Agreement as well as thereafter disclose to any third party any technical or commercial information pertaining to the Purchaser shall not use such information other than for the agreed purpose of this Purchase Agreement. However, such disclosure shall not contain information about the final products that the components are used in or are under development for.
- 21.2 The drawings, standards, tables, data, instructions and any other information contained or attached to the purchase agreement and / or order and / or request for quotation are confidential material owned by HT Spa which must not be delivered or disclosed to third parties and which must be returned in full to HT Spa itself at the end of the supply or together with the estimate. The delay in the return does not mean, in any case, the waiver of the company HT Spa of its rights.

22. Premature termination

- 22.1 Without prejudice to any remedy it may have against the other for breach or non-performance of this Purchase Agreement either party shall have the right to terminate this Purchase Agreement and/or all or any part of an Order by giving the other party not less than thirty (30) days' notice;
- a) if the other party should commit or permit a breach or non-performance of essential importance to the other party and should fail to remedy such breach within thirty (30) days after receipt of written notice; or
 - b) if there is reason to assume that the other party has become insolvent.

22.2 Without prejudice to any remedy the Purchaser may have against the Supplier for breach or non-performance of this Purchase Agreement the Purchaser shall further have the right to terminate this Purchase Agreement and/or all or any part of an Order with immediate effect from notice:

- a) if the ownership of the Supplier is materially changed; or
- b) in case of repeated delays in delivery, repeated claims, or insufficient Component quality.

22.3 Notice of termination shall be given in writing without undue delay after the circumstance constituting the breach was or should have been known to the aggrieved party.

23. Effects of termination

23.1 At the expiration of the business relationship, the Supplier shall on request return to the Purchaser all material that is related to the Components, including Type-Specific Equipment and electronic media, drawings and other technical documents regarding the Components or their manufacture, which the Supplier has obtained from the Purchaser.

23.2 Orders from the Purchaser confirmed by the Supplier or deemed to have been accepted by the Supplier according to 2.1 above, shall be valid and binding even if delivery dates according to such Order is beyond date of expiry of this Purchase Agreement according to Section 22.1.

24. Spare Parts

24.1 The Supplier shall supply spare parts as may be required by the Purchaser for a period of time corresponding to the period of serial production and of ten (10) years after the end of production or any other period agreed between the parties. Before the production of spare parts ceases, the Supplier undertakes to notify the Purchaser in order to make it possible for the Purchaser to place a final order.

25. Force majeure

25.1 The parties shall be relieved from liability for a failure to perform any obligation under this Purchase Agreement if such failure is due to a circumstance ("ground of relief") which is (i) beyond a party's control; (ii) impedes the performance thereof; and (iii) could not be foreseen when this Purchase Agreement was concluded.

25.2 As soon as the impediment has ceased the obligation shall be performed in accordance with the provisions of the Purchase Agreement. As grounds of relief shall be considered: war, acts of war, acts or omission of authorities, new or changed legislation, currency restrictions and similar circumstances.

25.3 A party who desires relief according to the provisions above must notify the other party thereof without delay.

26. Notices

26.1 Unless otherwise agreed between the parties, any notice, request, consent and other communication to be given by a party under this Purchase Agreement (hereinafter called a "Notice") shall be deemed to be valid and effective if personally served on the other party or sent by registered prepaid airmail or by e-mail to the addresses stated in the preamble.

26.2 A Notice shall be deemed to have been given:

- a) in the case of personal service: at the time of service;
- b) in the case of prepaid registered mail: at the latest two (2) days after the date of mailing; and
- c) in the case of e-mail: on the date a receipt-acknowledged e-mail is sent.

Changes of address are to be notified as set out in this provision.

27. Miscellaneous

27.1 Neither party may assign this Purchase Agreement and/or its rights and obligations hereunder, unless the other party has agreed thereto in writing.

27.2 If any provision of this Purchase Agreement or part thereof is invalid, it shall not affect any other provision of this Purchase Agreement, but

shall, to the extent the invalidity substantially affects a party's performance under the Purchase Agreement, be construed as if it had never been contained herein.

27.3 Amendments and addendums to this Purchase Agreement shall only be valid if made in writing and signed by both parties.

27.4 This Purchase Agreement may have been set up in both the Italian language and other languages. In case of any inconsistency or discrepancy between the two versions, the Italian version shall prevail.

28. Settlement of disputes and applicable law

28.1 The present contract is governed by the law of Italy.

28.2 The competent Court of Treviso (Italy), the place where HT has its registered office, shall have exclusive jurisdiction in any action arising out of or in connection with this Contract.

28.3 As a partial exception of the provision as per the paragraph 28 herein above, HT is fully entitled to bring its action before the competent Court of the place where the Supplier has its registered office.

29. Clause/information for representatives, spokespersons and employees of supplier companies

29.1 The Supplier hereby acknowledges that the provisions of the privacy regulation – EU Regulation 2016/679 of the European Parliament and Council dated 27 April 2016 on the protection of natural persons with regard to the processing of personal data, hereinafter "GDPR" – regard the processing of personal data, that is to say data concerning natural persons only, acquired and processed by the Purchaser for the conclusion and implementation of the Contract, and are not applicable to data regarding companies, authorities and associations. For the purposes of this Contract, the Purchaser may process personal data concerning (i) the Supplier, when it involves a sole proprietorship or self-employed person, and/or in any case (ii) the representatives, spokespersons, employees and associates of the Supplier.

29.2 The Supplier declares that it is aware, pursuant to article 13 of the GDPR, that the personal data it discloses for the conclusion and implementation of the Contract are collected and processed by the Purchaser, as the Controller, solely for these purposes and for the associated legislative, administrative and accounting requirements, using suitable methods and procedures (including electronic ones), via its duly appointed internal personnel and external associates designated as processors or persons in charge of processing. The Supplier acknowledges that, concerning the personal data processed for the conclusion and implementation of this Contract, the natural person to whom the data refers ("data subject") has the right to access, rectification, restriction, erasure, portability and objection (arts. 15–22 of the GDPR), as well as the right to make a complaint to the Data Protection Authority.

29.3 It is the Supplier's duty to ensure the lawful usability of the personal data regarding, by way of an example, any of its representatives, spokespersons, employees and associates, which are disclosed to the Purchaser for the purpose of concluding and implementing the Contract and, in particular, for the correct fulfilment of its obligations to inform the data subjects, in addition to obtaining their consent, where necessary, to the processing of their personal data by the Purchaser for the abovementioned purposes in accordance with the terms set out above.

30. Environmental protection

30.1 HT works with a management system according to the contents of ISO 14001:2015.

For this reason, and with reference to this supply, we encourage the adoption of good behavioral practices for the aim of safeguarding the environment by limiting negative impacts as much as possible. Make sure that the product is:

- obtained with the lowest generation of waste and scrap, and, if necessary, these are appropriately collected and recycled;
- obtained with the minimum use of resources, raw materials, water and energy;

- produced parts are manufactured and handled without drips or spills of oils or other chemicals and, in case, that these are properly collected and disposed.

Make sure that deliveries and transport are carried out:

- with reused/reusable packaging and containers, possibly recovered/recoverably or alternatively made of easily separable and recycled/recyclable material;
- through supply lots and road routes that minimize fuel consumption.