

## General Conditions of Purchase of Goods and Services

### 1. SCOPE OF APPLICATION

1.1 These General Conditions govern the purchase of Goods and/or Services by Italdesign-Giugiaro S.p.A. (as hereinafter referred to as the Purchasing Company), and its Suppliers (as defined below). The terms used in these General Conditions have the meanings defined below, unless the context unequivocally gives rise to any other interpretation:

- **VW Group Companies:** any company of the VW Group, namely the Group of Companies to which Volkswagen AG (with registered office at Berliner Ring 2,38440 Wolfsburg, Germany) belongs (the term Group shall be understood within the meaning of Article 15 of the German Companies Act); such company is entitled to place new Orders to the Supplier under the same conditions agreed between the Supplier and the Purchasing Company, except for variations due to different logistics costs or payment terms.
- **General Conditions of Purchase and/or General Conditions:** these General Conditions for the purchase of Goods and/or Services.
- **Purchasing Company:** means a) the company Italdesign-Giugiaro S.p.A., with operational headquarters in Moncalieri, via Achille Grandi 25, which places a Purchase Order and intends to purchase Goods or obtain Services from the Supplier; b) any other company controlled by the above-mentioned company or its holding company, and of any other company under the dominant influence of any of the above-mentioned companies whenever the company acts as a purchaser in business of the type described in these General Conditions of Purchase and is identified by any means (such as the signature of its legal representative, the relevant company stamp, etc.).
- **Supplier:** means the company that provides Goods and/or Services, also through the organization of the necessary means and with management at its own risk.
- **Parties:** Jointly defined Supplier and Purchasing Company.
- **Good(s):** means the products or goods indicated in the Purchase Order and in the Technical Documentation, where available, which are the subject of these General Conditions.
- **Service(s):** means one of the services covered by these General Conditions, indicated in the Purchase Order and in the Technical Documentation where available.
- **Purchase Order and/or Order:** means only the order for Goods or Services placed by the Purchasing Company towards the Supplier through the Supplier Portal and duly signed by the legal representatives of the Purchasing Company.
- **Technical Documentation:** means any technical specifications to which the Goods and/or Services must comply.
- **Request for Quotation:** a request made by the Purchasing Company to the Supplier on the basis of the need for a specific supply of Goods and/or Services, in order for the Supplier to make an offer. This request shall include, inter alia, the conditions set out in the specifications, the technical and logistical specifications, the quality and safety requirements, which must be met by the supply.
- **Binding Obligations (*binding obligation*):** the rules and regulations, including administrative ones, in force at the place of executing the contract covered by these General Conditions or the order, the requirements deriving from the standards set by the Volkswagen Group and communicated for the correct fulfillment of these General Terms and Conditions, as well as those of greater use in the relevant commercial sector, the contractual requirements and the commitments voluntarily assumed. Binding Obligations also include, in particular, environmental requirements relating to products, including their packaging, and in any case the full compliance of the Goods and Services with the standards applicable to them.

### 2. VALIDITY AND ACCEPTANCE OF THESE GENERAL CONDITIONS

2.1 The supplies made to the Purchasing Company on the basis of the latter's Orders are made in accordance with these General Conditions, which are deemed to be fully accepted by the Supplier upon acceptance of the Order, as established in Article 3 below. In any case, it is understood that: a) the Purchasing Company reserves the right to refuse at any time the execution of any Order (and, therefore, to refuse to make payment and/or to receive the Services for such order) whenever the Supplier has not signed these General Conditions of Purchase for specific acceptance of all the terms and conditions established therein, including those for which art. 1341 of the Italian Civil Code requires express acceptance in writing, and that b) the Purchasing Company is in no way obliged to the Supplier on the basis of the Purchase Order in the terms in which the Supplier does not return these General Conditions signed for acceptance as described above by the

nearest of the two following dates: i) the end of the 30th calendar day from the date of the Order; ii) the date on which the execution of the Order by the Supplier commences.

2.2. These General Conditions remain in force until the Parties expressly agree otherwise, jointly and in writing, and in any case until the obligations in progress have been fully fulfilled. It is understood that the clauses referred to in these General Conditions apply in accordance with the type of Goods or Services provided by the Supplier, i.e. the clauses which, due to their specificity, refer to the supply of Goods shall not apply to the supply of Services and vice versa.

2.3 Any modification of these General Conditions is valid only if this is stated in writing by the Order or, in the case of an Order already in progress, if the modification is agreed in writing jointly by the Supplier and the Purchasing Company; no clause or general condition of sale inserted by the Supplier in invoices, delivery notes or correspondence that contradicts or limits these General Conditions shall be considered valid, unless expressly accepted, in writing, by the Purchasing Company.

2.4 If one or more of the clauses contained in these General Conditions or in the Order is cancelled or declared null and void or ineffective in accordance with the law, the validity of the remaining clauses remains unaffected.

2.5 The Order, its amendments, any attachments, as well as these General Conditions constitute the entire and exclusive agreement between the Purchasing Company and the Supplier: consequently, these General Conditions of Purchase shall prevail, as a whole and/or in the event of discrepancies, with respect to the general and/or economic conditions prepared and sent by the Supplier or, unless otherwise agreed between the Parties, with respect to any agreements or minutes exchanged by the Parties and it is hereby specified that no other verbal agreement modifying the content of the aforementioned documents shall be binding in any way.

2.6 The Supplier is required to sign and upload these General Conditions within the Italdesign Supplier Portal. Therefore, this document produces its effects between the Parties both in the event that the Supplier signs it with a handwritten signature and uploads the scanned version of the same within the Supplier Portal and in the event that the Supplier signs this document with a certified digital signature and subsequently uploads it to the Supplier Portal.

### **3. ORDERS**

3.1 The Order must be placed using the form issued by the Purchasing Company by fax and/or post or by means of an electronic transmission of data, which is considered as a written communication.

3.2 All Orders must contain: order number, supplier code, price, conditions of supply, carriage (indicating whether or not it is included) if applicable, and the terms of invoicing and payment. Therefore, these General Conditions are part of the Order to all intents and purposes.

3.3 The Supplier is required to confirm the acceptance of the Order to the Purchasing Company within 8 (eight) days of its receipt, communicating it in writing in paper or electronic format, and/or through a dedicated portal. In the absence of such confirmation, within the aforementioned period, the Orders based on these General Conditions of Purchase shall be deemed to have been fully accepted when the Supplier has begun to process the Order placed by the Purchasing Company. This without prejudice to the Purchasing Company's right to accept or reject any Goods and/or Services already made and/or provided, by charging the costs incurred to the Supplier.

### **4. PRICES**

4.1 Following a Request for Quotation by the Purchasing Company, the Supplier must submit its Offer in accordance with the specific requests of the Purchasing Company at the time of issuance of each Request for Quotation. The Offer must be duly completed with all the relevant data.

4.2 The price of the Goods and Services is set out in the Order. The price of the Goods includes packaging, delivery, transport and export taxes and excludes any VAT. The price of the Goods and Services is defined, all-inclusive and not subject to increase for the entire time specified in the Order, unless otherwise expressly agreed between the Purchasing Company and the Supplier contained in the Order.

### **5. TERMS OF SUPPLY OF SERVICES AND/OR GOODS**

5.1 The supply of Goods and/or Services shall be made on the agreed date to be considered as the essential term, in accordance with the conditions set out in the Order. Unless otherwise agreed in writing, the Goods and/or Services must be

delivered at the place indicated in the Order, regardless of whether it is the premises of the Purchasing Company or of a third party. The Supplier shall promptly inform the Purchasing Company of any delays or any critical issues that may arise during the fulfilment of the Order.

5.2 In the event of default or non-fulfilment of the delivery dates, the Purchasing Company has the right to:

a) Accept the supply or continuation of the supply as rendered, applying a penalty equal to 2.5% (two point five) of the value of the Services or Goods subject to the Order for each week of delay with respect to the term indicated in the Order itself, without prejudice to the right to compensation for further damages.

or

b) Organize, directly or through third parties, the supply of Services and/or Goods that have not been provided and/or supplied or that can reasonably be expected not to be provided and/or supplied within the time limit set out in the Order and this decision is binding on the Supplier; if the Purchasing Company chooses to exercise this right, the Supplier shall assume all expenses that have been directly or indirectly incurred by the Purchasing Company. For this purpose, the Purchasing Company issues the relevant invoices for the total amount of these sums and the compensation provided for in Article 15 of these General Conditions is applicable.

or

c) Cancel the Order, or the unfulfilled part of it, by giving prior written notice to the Supplier. In this case, if within 2 (two) days of receipt of the above-mentioned notice, the Supplier does not find the same by presenting a plan to remedy the non-performance and where such plan is acceptable to the Purchasing Company, the latter shall be relieved of any obligation to accept and pay for the Services and/or the Goods not provided.

## **6. METHOD OF EXECUTION AND PLACE OF DELIVERY OF THE SUPPLY. QUANTITY**

6.1 The supply of Goods and/or Services must be carried out at the place indicated in the Order as provided for in Article 5.1 above, unless otherwise expressly agreed between the Supplier and the Purchasing Company. The Goods delivered to the Purchasing Company must have packaging appropriate to the type of product and its purpose of use and must be appropriately labelled for their correct identification.

6.2 Without prejudice to any tolerances of use or those expressly agreed and without prejudice to the feedback from the Purchasing Company, the Supplier is required to make deliveries in accordance with the quantity provided for in the Order. The Purchasing Company therefore reserves the right to reject the quantities exceeding the requested deliveries or those anticipated with respect to the agreed deadlines (or, alternatively, to retain them with effect from the deferred payment terms until the actual need) as well as to consider the Order fully paid with the smaller quantities delivered by the Supplier within the agreed terms, rejecting any late additions (or, alternatively, rejecting manifestly insufficient deliveries by cancelling the entire Order), without prejudice to the further measures provided for in the event of non-compliance within the agreed terms.

## **7. QUALITY REQUIREMENTS AND DOCUMENTATION**

7.1 The Supplier undertakes to provide Goods and/or Services in accordance with the technical specifications and to manage the related documentation as indicated in the same and/or in the Order. During the contractual performance, the Supplier, where required by the specificity of the Goods and/or Services supplied, must comply with the standards and measures provided to ensure the quality and technical requirements established by the Purchasing Company or agreed with it and provide the Services and/or Goods in accordance with them. In addition, the Supplier must constantly review and adjust its standards and measures to ensure the quality and technical condition of the Goods and/or Services provided. In any case, the Purchasing Company has the right to verify at any time that the Services are provided in accordance with the applicable quality standards and technical conditions established by the same. At the request of the Supplier, the Purchasing Company is available to provide the Supplier with all additional information in order to comply with this article, as well as with the technical requirements requested by the Purchasing Company.

7.2 The Goods must be accompanied by suitable documentation to certify the conformity of what is supplied, according to the applicable specifications, including but not limited to, the certificate of origin of the same.

7.3 Where applicable, depending on the specific type of Goods and/or Services covered by the Order, the Supplier undertakes to ensure periodic and systematic observation of the quality of the Goods and/or Services supplied and to send the Purchasing Company suitable documentation certifying such compliance with the regulations in force from time to time and copies of specific certifications approved by the competent bodies or in use by the majority of companies in the sector, including the related updates, on a half-yearly basis, without prejudice to the Purchasing Company's right to request any additions and/or clarifications to the documentation submitted at any time.

7.4 Where applicable to the type of Goods and/or Services supplied, if the supply made does not have a certificate of inspection, the Purchasing Company reserves the right to issue it at its own expense by charging the cost back to the Supplier or cancel the Order and return the Goods or interrupt the Service subject to the Order, as well as charging the Supplier for any additional costs incurred and/or any compensation for damages. The Supplier is required to keep a record of the checks carried out during the process of making the Goods to be supplied. The Supplier undertakes to promptly notify the Purchasing Company of any case of product or process non-conformity detected during the execution of the supply and to agree with it on the corrective actions to be implemented. Any changes to the configuration of the Goods and/or Services or to the agreed processes must be authorized in writing by the Purchasing Company.

## **8. REPORTING OF DEFECTS AND/OR NON-CONFORMITIES. LIABILITY**

8.1 If defects and/or non-conformities are found on the Goods and/or Services supplied, the Purchasing Company reserves the right to request the replacement or repair of the same defective and/or non-compliant Goods, or to request the provision of the Service again, without prejudice to the compensation for any greater damage and the commitment to adopt the corrective and preventive actions necessary to avoid the recurrence of the defects and/or non-conformities detected. In the event that the defects and/or non-conformities are such as to compromise the reliability of the supply of the Goods and/or Services, the Purchasing Company reserves the right to reject the Goods delivered by the Supplier and any stocks of previous batches, as well as to cancel any subsequent delivery schedules, as well as to refuse the provision of the Services.

8.2 Receipt or payment does not imply waiver by the Purchasing Company of the right to report to the Supplier any flaws, defects or discrepancies in the Goods and/or Services that may emerge from the technical-quality controls or from the use of the Goods and/or Services, without the Purchasing Company being required to comply with the terms and methods of assessment and verification provided for by the applicable legislation, meaning any supply always and in any case made with a declaration by the Supplier that the Goods and/or Services supplied comply with the Purchase Order and are free from flaws or defects.

The complaint by the Purchasing Company may therefore be made at any time after receipt of the order and - in the event of hidden defects - or failure to deliver the certificate of conformity of the product supplied, where required by the reference specification, even after the supplies have been placed in the production cycle or incorporated into finished products sold by the Purchasing Company to its customers.

In the event of defects and/or non-conformities of Goods supplied in their raw or semi-finished state that can only be identified after the execution of transformation operations, the Purchasing Company shall also be entitled to charge the Supplier for the processing costs incurred on the rejected quantities, if they exceed the percentages deemed tolerable by the technical services of the Purchasing Company itself.

## **9. RISK AND PROPERTY**

9.1 The Supplier shall bear the risk of possible damage to or loss of the Goods during transport until delivery of the same to the address indicated on the Purchase Order or, in the absence thereof, to the address of the Purchasing Company unless otherwise agreed and defined by the Parties within the Order. The property of the Goods shall pass to the Purchasing Company upon delivery of the same to the address indicated on the Order or, failing that, to the address of the Purchasing Company.

## **10. SUBCONTRACTING**

10.1 The Supplier may not subcontract to third parties, not even partially, the activities covered by the Order necessary for the supply of the Goods and/or Services to the Purchasing Company, unless otherwise agreed in writing between the Parties.

10.2 In the event of approval of subcontracting by the Purchasing Company, it is understood that the Supplier undertakes to ensure that its subcontractors comply with all the obligations referred to in these General Conditions, as well as the sustainability requirements and the principles contained in the Code of Ethics for Business Partners, without prejudice to the direct and joint liability of the Supplier towards the Purchasing Company.

10.3 Failure to comply with the above provisions shall be considered a serious breach, which shall entitle the Purchasing Company to terminate the Order and any contractual relationship between the Parties based on these General Conditions in advance and with immediate effect.

## **11. HEALTH AND SAFETY IN THE WORKPLACE AND ENVIRONMENTAL PROTECTION**

11.1 In the event that the execution of the Services falls within the scope of application of the legislation relating to safety in the workplace (Legislative Decree 81/2008 - Consolidated Law on Safety), the Supplier undertakes to provide all documentation - including relating to any subcontractors referred to in Article 10 above - as per current and applicable legislation, and to meet all the requirements provided for by the aforementioned law. Furthermore, it undertakes to hold the Purchasing Company harmless and indemnified from any detrimental consequence that may arise from non-compliance with said legislation.

11.2 The provision of Services must take place, in addition to compliance with all the requirements regarding health and safety in the workplace and environmental protection established by current legislation, also in accordance with the technical specifications provided by the Purchasing Company. The Supplier shall take all the necessary measures and precautions to prevent accidents at work and occupational diseases, to safeguard the safety of personnel and to protect the environment in compliance with current legislation. Where required on the basis of the type of Service offered, the Supplier undertakes to send the Purchasing Company the documentation and certifications required by applicable legislation. In order to allow all appropriate checks to be carried out, the Supplier shall provide the Purchasing Company with formal notice of any accident to the detriment of its personnel or any incident, including of an environmental nature, by the calendar day of occurrence, specifying the circumstances and causes, keeping the Purchasing Company informed of developments relating to assessments and investigations.

11.3 At the request of the Supplier, the Purchasing Company is available to provide the Supplier with all information, guidelines or internal procedures necessary in order to comply with this article.

## **12. WARRANTY**

12.1 The Goods and Services supplied to the Purchasing Company are covered by the warranty provided for by the applicable Italian legislation, in particular, by art. 1667 of the Italian Civil Code, unless otherwise indicated within the Order.

12.2 Without prejudice to the provisions of Article 11 above, should the Purchasing Company be the subject of claims for compensation for non-compliance with safety regulations or other applicable regulations, of any nature, the Purchasing Company reserves the right to request reimbursement from the Supplier for all damages, costs, expenses and indemnities, whenever the provision of the Services has not been carried out correctly and has directly or indirectly caused the request for Third-Party Compensation. In the event that any amount should be charged to the Supplier in relation to the warranty due by the latter, it may be claimed by the Purchasing Company indifferently.

## **13. INVOICING**

13.1 All invoices must include the Supplier's number, the order number, the reference number of the Goods and/or Services, the number of the delivery note, if necessary, as well as any other information required by the tax regulations in force at that particular time, as well as any further information that the Purchasing Company deems necessary.

13.2 Invoicing must be made on the basis of the conditions set out in the Order.

13.3 In the event of non-compliance by the Supplier with the aforementioned requirements and without prejudice to any liability of the Supplier in the event of non-compliance with tax provisions, the Purchasing Company reserves the right not to

accept deliveries until the documentation has been regularised or to accept them, making the payment terms start from the moment the Supplier has regularised.

#### **14. PAYMENT TERMS**

14.1 The payment of the supply to the Suppliers is made in accordance with the conditions contained in the Order and in any case, the fact that the Goods and/or Services meet the quality standards required by the Purchasing Company is an essential condition for payment.

14.2 The payment of the Order does not imply the acceptance of the Services and/or the Goods by the Purchasing Company in terms of conditions of quality, quantity and price of the same and does not mean that the Purchasing Company waives the rights deriving directly or indirectly from these General Conditions or from the applicable legislation.

14.3 Except as provided for by the regulations in force or as otherwise agreed between the Parties, the Purchasing Company shall make payments for the supplies received and accepted within 60 days end-of-month invoice date by bank transfer to the account indicated by the Supplier. The Supplier expressly declares that it does not consider the above payment term to be unfair in any way and that it has been agreed between the Parties. In the absence of prior authorization and/or support from the bank designated by the Purchasing Company, bank receipts or equivalent documents issued on the Supplier's initiative shall be rejected. The assignment to third parties of any receivables deriving from supplies made to the Purchasing Company remains subject, even in derogation of the provisions of the law in force, to the prior approval of the Purchasing Company itself, without prejudice to the enforceability against the third party assignee of any exception inherent to the same receivables, the quantity and quality of the supply and any relations between the assigning Supplier and the Purchasing Company.

#### **15. COMPENSATION**

15.1 Should the Purchasing Company charge the Supplier any sum on the basis of the provisions contained in these General Conditions or the Orders, the Supplier expressly authorises the Purchasing Company to issue the corresponding invoice and to deduct the relevant amount from the sums due by the Purchasing Company to the Supplier, at the time of payment, or to add the said credit to any credit in favour of the Purchasing Company; all this shall be duly noted in the ongoing accounts.

#### **16. PROTECTION OF TRADEMARK, MODELS OR DESIGNS OR KNOW-HOW PROVIDED BY THE PURCHASING COMPANY AND/OR OTHER COMPANIES OF THE VW GROUP.**

16.1 If, in the context of the Supply, the Supplier and/or any of its subcontractors use the trademarks owned by the Purchasing Company and/or the Volkswagen Group and/or trademarks of which the Purchasing Company is a licensee, it is understood that such use is limited exclusively to the fulfilment of the supply itself. Such use shall not give rise to any rights on the part of the Supplier, which in any case hereby declares to renounce it, any right over the trademarks themselves.

16.2 In any case, it is expressly forbidden for the Supplier to make any type of graphic, chromatic or literal modification or addition to the trademarks; use distinctive signs incorporating the words, handwriting, signs, shapes and colours that characterise the trademarks, as well as any other sign that may be confused with them or that can be considered derived from them.

16.3 The Supplier is the custodian of the designs, models and know-how owned by the Purchasing Company, which are at its disposal, even temporarily, and of which it may not make copies. Such models, designs and know-how together with those prepared ad hoc by the Supplier to provide the Services and/or Goods expressly requested by the Purchasing Company may not be transferred to other persons or bodies or companies without the express and written consent of the Purchasing Company; they may not be used by the Supplier for any purpose other than the provision of the Services and/or Goods for the Purchasing Company. Unless otherwise agreed in writing, any design, model or know-how prepared ad hoc by the Supplier to provide the Services and/or Goods expressly requested by the Purchasing Company, is considered included in the price paid by the Purchasing Company for what is returned by the Supplier itself; accordingly, such models, designs and know-how are deemed to be the property of the Purchasing Company, i.e. its customers and/or any other VW Group Company acting as the Purchaser, as the case may be. Such designs must be delivered to the Purchasing Company.

It is understood that the designs, models and know-how owned by one of the Parties on the date of signing these General Conditions or earlier shall remain the property of the Party to which they belong.

16.4 In the event of non-compliance with the above provisions, the Purchasing Company shall have the right to cancel the Order and demand the return of any profits obtained by the Supplier, in addition to compensation for the damages caused.

16.5. If the Supplier registers industrial or intellectual property rights in violation of the terms of this provision, it becomes obliged to transfer such rights to the Purchasing Company free of charge and at no cost to the same, without prejudice in any case to all other rights of the Purchasing Company by virtue of the previous provisions.

## **17. PROHIBITION OF ADVERTISING. TRADE SECRETS. CONFIDENTIALITY.**

17.1 Under no circumstances may the Supplier mention, publish or advertise on its own behalf or on behalf of any third party its commercial or industrial activities in favour of the Purchasing Company, or use the trademark, logo or name of the Purchasing Company in any media, except with the prior written permission of the Purchasing Company. Consequently, the Orders and the related commercial and technical details, together with any industrial secrets and confidential information of which the Supplier has become aware during the supply relationship in favour of the Purchasing Company, must be treated by the Supplier as strictly confidential until the end of the fifth year following the termination and/or interruption of the relationship for any reason.

17.2 The Purchasing Company requires each Supplier to respect and keep confidential any information, news, data and anything else relating to the supply relationship, through an express declaration of confidentiality.

## **18. INDUSTRIAL PROPERTY**

18.1 In any case and without exception, the Supplier expressly warrants to the Purchasing Company that all Services and/or Goods that have not been conceived by the Purchasing Company have been and shall be supplied in accordance with current regulations, and in particular that they do not constitute and shall not constitute a breach of any other party's registration or industrial property right, and that they are not subject to any litigation or legal proceedings.

18.2 The Supplier shall inform the Purchasing Company of any application or use by the Supplier of its own or third party's patents.

18.3 The consequences of violations of the aforementioned provisions or of any limitation imposed on the Purchasing Company as a consequence thereof shall remain the direct responsibility of the Supplier and the Purchasing Company reserves the right to claim compensation for the damages suffered.

18.4 The Supplier must respect the Industrial Property rights of the Purchasing Company. If the Supplier becomes aware of a claim by a third party in relation to the aforementioned rights, it must immediately inform the Purchasing Company and must refrain from any action against any third party without the prior written consent of the Purchasing Company. If the Industrial Property rights of the Purchasing Company are used by the Supplier for purposes other than those relating to the supply subject of the Order without the express authorization of the Purchasing Company, the latter has the right to claim compensation for all damages suffered.

18.5 If the Supplier makes technological innovations in the context of the activity covered by an Order from the Purchasing Company, it undertakes to guarantee, once the full agreed amount has been paid, the relevant license to the Purchasing Company in order to allow the latter to produce, have produced and sell the results of the aforementioned innovation. The consideration for this license, irrevocable, perpetual and without territorial extension, with the right to sublicense, is deemed to be already included in the compensation.

18.6 Once the Supplier has been paid the full agreed amount, the Purchasing Company shall acquire the exclusive and unconditional ownership of all the technical results of the works covered by the Purchase Order and the related intellectual property rights, retroactively from the moment they are carried out by the Supplier in execution of the Purchase Order. The Purchasing Company may, at its own discretion, expense and care, decide to proceed with the registration of the same and, if requested by the Purchasing Company, the Supplier hereby undertakes to provide its cooperation.

## **19. ASSIGNMENT**

19.1 The Supplier may not assign Orders received from the Purchasing Company.

19.2 It is expressly agreed that the receivables arising from the supplies to the Purchasing Company may not be assigned or transferred in any way by the Supplier, except after the latter has requested and obtained the written consent of the Purchasing Company. Furthermore, since the Order is an integral part of the evidentiary documents of such receivables pursuant to Article 1262 of the Italian Civil Code, this clause is presumed to be known by the assignee at the time of assignment and prevents the acquisition in good faith by the latter of such receivables on the basis of Art. 1260, paragraph 2, of the Italian Civil Code.

19.3 The provisions of this article are applicable to the Supplier and to any entity that participates, at any level, in the process of providing Services and/or Goods; it is the responsibility of the Supplier and its suppliers, if any, to ensure that all those who participate in the process of providing Services and/or Goods accept the provisions of this article in their entirety as well as the rest of these General Conditions.

## **20. COMPLIANCE WITH THE REGULATIONS**

20.1 The Supplier undertakes to comply with all legal provisions as well as the internal regulations of the Purchasing Company if, as part of the process of processing the Order, it should work within the premises of the Purchasing Company or should use means owned by the Purchasing Company inside or outside the premises of the latter; the Supplier, therefore, shall be held liable for all damage caused to persons, goods, plant or equipment, installations, processed, semi-finished or stored products, resulting from negligence or fault on its own, its subcontractors or their respective employees. At the request of the Supplier, the Purchasing Company is available to provide the Supplier with all the information, guidelines or internal procedures necessary in order to comply with this article.

20.2 In the above cases, the Supplier releases the Purchasing Company from any liability and undertakes to compensate it for any damage suffered or expense incurred as a result of the aforementioned damages.

20.3 The Supplier declares that it has correctly fulfilled any obligation relating to the remuneration and social security issues of its employees. Furthermore, the Supplier undertakes to indemnify and hold harmless the Purchasing Company from any and all costs or damages or liabilities arising from any disputes that may arise either directly with the Supplier's employees, and any subcontractors, or with social security and/or welfare institutions or any other authority (such as, by way of example but not limited to, judicial, administrative, tax authorities) for matters inherent and/or connected and/or in any case originating from the relationship with such employees or any accidents at work or damages in any way suffered by employees, as well as with regard to any damage caused by employees to property or persons, including each and every third party, including cases of wilful misconduct or gross negligence.

20.4 The Supplier is required to ensure the full compliance of the machinery, plants, equipment and any other Goods and/or Services procured with current legal provisions, company standards and/or any other specific instructions (e.g.: dangerous or harmful substances and/or preparations). The Supplier must be diligent in obtaining, correctly interpreting and sending to the Purchasing Company the documentation relating to the Goods and/or Services referred to above, which in any case forms an integral part of the supply. For any toxic or harmful substances and/or preparations, the Supplier is required to declare their characteristics to the Purchasing Company, indicating the particular precautions recommended for their use (e.g.: safety data sheets). The Supplier also relieves the Purchasing Company from any liability arising from the non-fulfilment of the Supplier's obligations as an employer, in relation to Social Security, Health and Safety legislation or any other legislation in force.

20.5 The Supplier undertakes to comply with all applicable regulations regarding mandatory insurance and to stipulate the following policies with a leading insurance company: third-party and workers' liability, product liability, professional liability, as well as other policies that the Purchasing Company may require from time to time to cover accidents or damages that may occur in the course of its activity. The above insurance policies must be sent to the Purchasing Company together with the certificates of subsequent renewals. Finally, the Supplier undertakes to supplement the limit of the aforementioned policies at the request of the Purchasing Company if the latter does not consider the limit insured by the Supplier sufficient based on the type of Goods and/or Services covered by the Order.



20.6 The Supplier acknowledges and agrees to comply with all national and international laws and regulations in the field of Export Control, customs and related sanctions, including, but not limited to, laws and regulations of the European Union and the United Nations. This commitment extends to all goods, software, technologies, services and related documentation provided as part of the Order.

In providing the Goods or Services, Supplier warrants that (a) it is not included in any international sanctions list (hereinafter the "Sanctions"), (b) that it is not subject to any embargo, (c) that it is not located in a geographical area subject to Sanctions, and (d) that the goods are not intended for use in prohibited activities, including, but not limited to, armaments, nuclear technology, or weapons production. Supplier acknowledges that the Sanctions rules restrict the export and re-export of the Services and Goods to Sanctions/Embargoed jurisdictions.

The Parties mutually acknowledge that they are not aware of any circumstance relating to the execution of the Order that may result in the violation of the provisions on Sanctions and the rules on Export Control. Each Party undertakes to inform the other Party without undue delay of any circumstance that results in a breach of this paragraph.

At the request of the Purchasing Company, the Supplier shall provide all the necessary information to facilitate the Export Control checks by the authorities or by the Purchasing Company.

The Supplier agrees to indemnify and hold harmless the Purchasing Company from any and all claims, fines, losses or damages arising from violations of the Export Control Regulations, including covering all related expenses and legal fees.

## 21. CODE OF ETHICS, ORGANIZATIONAL MODEL 231 AND SUSTAINABILITY

21.1 The Supplier declares to be aware of and to respect and require its employees and/or collaborators to compliance with the principles contained in the provisions of Legislative Decree no. 231 of 8 June 2001 on the administrative liability of entities, as subsequently amended and supplemented, as well as having read, known, accepted and undertaken to comply with the Organisational Model and the Code of Ethics for Business Partners in the versions updated from time to time, including for its employees and/or collaborators pursuant to Article 2049 of the Italian Civil Code, adopted by the Purchasing Company and published, respectively, on [www.italdesign.it](http://www.italdesign.it) and [www.vwgroupsupply.com](http://www.vwgroupsupply.com).

21.2 The Supplier undertakes to produce, at the request of the Purchasing Company, all the information and documentation that the latter deems necessary to demonstrate the Supplier's compliance with the Code of Ethics for Business Partners, for the purpose of the subsequent unquestionable verification and evaluation of the Purchasing Company. The supplier declares and guarantees that it is not subject to any proceedings for any of the offences governed by Legislative Decree 231/2001, or, if necessary, to promptly notify the Purchasing Company.

21.3 Failure to comply with the above provisions shall be considered a serious breach, which shall entitle the Purchasing Company to terminate these General Conditions early and with immediate effect pursuant to art. 1456 of the Italian Civil Code, without prejudice in any case to the right to compensation for damages.

21.4 The Purchasing Company aims to achieve sustainable development goals, with particular regard to the environmental compatibility of its products, the reduction of its consumption of natural resources, the protection of the rights and personal development of its workers, both locally and globally.

21.5 The Purchasing Company also expects its Suppliers to pursue the aforementioned environmental and social sustainability objectives. In particular, the Purchasing Company requires its business partners, including the Supplier, to comply with the principles contained in the Code of Ethics for Business Partners, the full text of which is available on the website:

[https://www.vwgroupsupply.com/one-kbp-public/en/kbp\\_public/information/nachhaltigkeit\\_neu\\_pub\\_2019/sustainability\\_requirements/basicpage\\_for\\_general\\_pages\\_\\_html\\_13.html](https://www.vwgroupsupply.com/one-kbp-public/en/kbp_public/information/nachhaltigkeit_neu_pub_2019/sustainability_requirements/basicpage_for_general_pages__html_13.html)

The Supplier declares that it has read, is aware of and is adequately informed of the aforementioned requirements.

21.6 The Supplier undertakes to produce, at the request of the Purchasing Company, all the information and documentation that the Supplier deems necessary to demonstrate compliance by the Supplier's company with the environmental and social sustainability standards and requirements as identified above, for the purposes of the subsequent unquestionable verification and evaluation of the Purchasing Company.

21.7 The Supplier declares that it has read, is aware of, accepts and undertakes to comply with - also for its employees and/or collaborators pursuant to art. 2049 of the Italian Civil Code - the principles set out in the document "*Communication and Advertising Principles for the Volkswagen Group*" published on <https://www.volkswagen->

group.com/en/publications/more/communication-and-advertising-principles-for-the-volkswagen-group-1890. If the Supplier is responsible for the violation of any of the provisions provided, the Purchasing Company may terminate the contractual relationship, without prejudice to any other legal remedy, including the right to compensation for any damages suffered.

## **22. FORCE MAJEURE**

22.1 The Supplier shall not be liable for the failure to supply in whole or in part, or for the delay in the provision of the Services and/or Goods if such failure or delay is due to force majeure (including general or territorial or sectoral strikes of greater magnitude than the Supplier, excluding internal strikes of the Supplier).

22.2 If the Supplier is unable to provide the Services and/or Goods, in whole or in part, due to the existence of force majeure, it is required to notify the Purchasing Company of the existence of the force majeure as soon as possible, in any case no later than 24 hours from the time when the force majeure manifested. In addition, the Supplier must provide a detailed justification of the nature and extent of the cause, the expected delay in the provision of the Services and/or Goods and the new situation arising in terms of the possibility of supply and must remedy the aforementioned situation as soon as the relevant cause ceases to exist. The obligations set out in this clause also apply where it is the Purchasing Company that has to deal with the existence of a force majeure event; therefore, the Purchasing Company undertakes to promptly notify the Supplier, putting in place all the necessary remedies in order to guarantee the continuation of the Service.

22.3 In the event that the Supplier is unable to resume the Service within 5 (five) days from the end of the force majeure event or to indicate a reasonable period within which it may resume the Service, the Purchasing Company reserves the right to terminate the existing contractual relationship with the Supplier.

22.4 The Purchasing Company may suspend the receipt and payment of the Services and/or Goods ordered by the Supplier, without any obligation to compensate, in the event of flood, fire, strike, trade union agreements, riot, official measures, impossibility of communication or other interruption within the Purchasing Company such as to cause a reduction in activity or a suspension of work in its factories, of a production or commercial nature, and other similar accidents, including events due to force majeure.

## **23. WITHDRAWAL**

23.1 Without prejudice to force majeure events and other cases of termination referred to in these General Conditions, the contractual relationship arising from the Order may be terminated, even partially, at any time by the Purchasing Company with written notice that must be communicated to the Supplier with 30 (thirty) days' notice unless otherwise agreed between the Parties.

## **24. EARLY TERMINATION**

24.1 The causes described below and all those expressly mentioned in the context of the individual provisions of these General Conditions constitute reasons for termination of the Order and of any contractual relationship between the Parties based on these General Conditions:

- Acceptance by the competent Authority of the request for suspension of the Supplier's payments or initiation of liquidation proceedings, declaration of insolvency by the Authority; actual insolvency; public and private transfer of assets to creditors or distribution of assets at the request of creditors, regardless of whether it materializes in unavailability; seizure, repossession or other encumbrances on said property.
- Total or partial non-compliance by the Supplier, which the Supplier has not remedied within 7 days following receipt of the notice of notification of the non-compliance itself or in any case within the timeframe and in the manner agreed with the Purchasing Company.
- Failure to deliver and/or update, within the terms provided for by the regulations in force and at the relevant deadlines, of the documents referred to in Article 11, including those relating to any subcontractors.
- Delay in the supply of the Services and/or Goods with respect to the agreed delivery times, if the Supplier is responsible for such delay.
- Lack of quality of Services and/or Goods.

- Where the Supplier acts at the same time as a Data Processor pursuant to art. 28 of the General Data Protection Regulation 679/2016 ("GDPR"), the refusal by the Supplier to (i) accept the act of appointment as Data Processor and/or any further binding act concerning the processing of personal data to ensure compliance with the GDPR, the Code regarding the protection of personal data (Legislative Decree no. 196/2003) as amended by the legislative decree of 10 August 2018, n. 101 and/or any other applicable law and/or (ii) to fulfil the obligations set out in the act of appointment as Data Processor and/or in the Order/contract concerning the processing of personal data.
- Change of the Supplier's legal name; change in the shareholding structure or control, transformation, merger, demerger or sale of the business unit of the same.
- Modification of prices or other specific conditions relating to the Services and/or Goods.
- Violation of the Code of Ethics for Business Partners adopted by the Purchasing Company and/or of the principles contained in Legislative Decree 231/2001.

24.2 In all the above cases, the early termination is effective from the date of receipt of the notice - to be sent by registered letter with acknowledgement of receipt - by which the Purchasing Company communicates that it intends to make use of this clause.

## **25. DAMAGES FROM CONTRACTUAL BREACH BY THE SUPPLIER**

25.1 In the event of total or partial non-fulfilment of any of the obligations arising from the Order, these General Conditions and/or any other document that may supplement or replace them, the Supplier is obliged to compensate the Purchasing Company for all damages suffered.

## **26. LANGUAGE AND INTERPRETATION**

26.1 The authentic text of these General Conditions of Purchase is in Italian, regardless of whether they can be translated into other languages for informational purposes; consequently, in the event of a conflict of interpretation, the version that prevails and is therefore valid and binding for the Parties remains the one in Italian.

## **27. GOVERNING LAW. JURISDICTION**

27.1 These General Conditions are governed by Italian law.

28.2 The Supplier expressly accepts that any disputes that may arise between the Parties in relation to the interpretation and/or execution of the Orders and these General Conditions shall be subject to the jurisdiction of the Court of Turin.

## **28. ACCESS TO LOCAL SUPPLIERS AND AUDITS**

28.1 The Supplier authorizes the Purchasing Company and the persons designated by it to carry out, at its laboratories and/or offices, the checks it deems appropriate in relation to all the Goods and/or Services subject to the Supply.

28.2 The Supplier allows the Purchasing Company, or a third-party company appointed by the latter, access to its legal/operational headquarters at the simple written request of the Purchasing Company itself and with 3 (three) working days' notice. The Purchasing Company also reserves the right, during the verification, to request from the Supplier the extraction of copies of the accounting and tax books as well as other documents relating to the execution of the supply that shall be indicated by the Purchasing Company or its representatives. The Supplier undertakes to make its subcontractors accept the same conditions as those referred to in the previous paragraph, therefore the Purchasing Company shall have the right of access and verification at the premises of any subcontractors.

28.3 In the event that this audit reveals non-compliance by the Supplier with regard to its contribution and remuneration obligations towards its employees and/or collaborators in any capacity, the Purchasing Company shall have the right to charge the Supplier for the costs incurred for the audit itself as well as to terminate the contractual relationship pursuant to Article 24 above.

28.4 The Parties mutually acknowledge that the right of verification at the premises of the Supplier and any subcontractors referred to above, may be exercised by the Purchasing Company even after the termination of the contractual relationship for any reason.

## 29. PERSONAL DATA

29.1 For the issuance/stipulation of an order/contract for the supply of Goods and/or Services and for the proper execution of the same, the Parties may have access to and process the personal data of employees, customers, suppliers, consultants and other data subjects of which the Parties are respectively controllers pursuant to the GDPR and other applicable data protection provisions (together with the GDPR, "Privacy Regulations"). Both Parties guarantee to comply with all the obligations deriving from the Privacy Regulations, effective even after the termination of the contractual relationship for any reason.

29.2 The Parties shall scrupulously comply with the Privacy Regulations, in particular in relation to the adoption of physical, technical and organisational measures in such a way that the processing meets the requirements of the Privacy Regulations and guarantees the protection of the rights of the data subjects. The Parties shall process the Data only in order to correctly execute these General Conditions and the Order and undertake to allow access to and processing of personal data only by authorized personnel, duly trained and bound by confidentiality obligations. The Parties shall have the right to verify compliance with this clause and the Privacy Regulations by requesting to document compliance with the same or, in accordance with the procedures agreed between the Parties, by means of verifications.

29.3 If, in carrying out the Services covered by these General Conditions, the Supplier carries out the processing of personal data of the Purchasing Company, the Supplier undertakes to carry out the Services in compliance with the aforementioned legislation, guaranteeing that it meets the requirements of experience, ability and reliability required by the Privacy Regulations as well as that it adopts all the technical and organisational measures referred to in art. 32 GDPR. To this end, the Purchasing Company hereby declares to appoint the Supplier as Data Processor of personal data by means of a specific act of appointment (hereinafter "Appointment") which shall constitute an integral and substantial part of these General Conditions and of the Order. The Appointment regulates the instructions for the processing of personal data that the Purchasing Company, in its capacity as Data Controller, gives to the Supplier, in its capacity as Data Processor, which the latter is required to comply with, under penalty of breach of contract. It is understood that in the event of non-compliance by the Supplier with the provisions of this article and/or the Appointment, the Purchasing Company has the right to terminate the existing contractual relationships, without prejudice to the right to compensation for damages suffered due to the Supplier's non-compliance. The Appointment is deemed to have been accepted and capable of producing its effects if the Supplier has not provided a response within 90 days of its submission by the Purchasing Company.

Place \_\_\_\_\_ date \_\_\_\_\_

(Supplier's signature and stamp)

For the purposes of Art. 1341/1342 of the Italian Civil Code, the Supplier declares to expressly approve the following clauses: Art. 2 Validity and acceptance of these General Conditions; Art. 3 Orders; Art. 5 Terms of supply of Services and/or Goods; Art. 7. Quality requirements and documentation; Art. 10 Subcontracting; Art. 11 Health and safety in the workplace and environmental protection; Art. 12 Warranty; Art. 14 Payment Terms; Art. 15 Compensation; Art. 16 Protection of trademarks, models or designs or know-how provided by the Purchasing Company and/or other VW Group Companies; Art. 20 Compliance with regulations; Art. 22 Force Majeure; Art. 24 Early Termination; Art. 27 Applicable Law. Jurisdiction; Art. 28. Access to local suppliers and Audits.

Place \_\_\_\_\_ date \_\_\_\_\_

(Supplier's Stamp and Signature)