

## GENERAL CONDITIONS FOR PURCHASE - CGF.LMS.8.4-1-EN rev.03

### 1. General Information

- 1.1. The contractual relationship which ensues upon completion of the supply order and/or contract (hereinafter the Order) is governed exclusively by these General Conditions and by those specifically mentioned in the Order, as well as its attachments concerning fulfillment of the Order and which Lumson Spa or one of the other companies in the Group (hereinafter Lumson) made the supplier (hereinafter the Supplier) aware of.
- 1.2. All amendments, exceptions, or extra conditions entirely or somewhat different from these General Conditions for Purchase shall be valid only if agreed upon in writing.
- 1.3. The Supplier states it has the necessary experience and possesses all the means, personnel, and organization adequate to the precise and accurate execution of that required in the Order. Agreements made prior to finalization of the Order shall not be deemed valid unless stated on the Order itself.
- 1.4. The introduction in these General Conditions for Purchase and any documents referenced and attachments to the Order shall be deemed an integral and material part of it.

### 2. Orders and their Modification and Confirmation

- 2.1. Orders, contracts, and requests for delivery or supply, as well as modifications or integrations to them, must be formulated in writing.
- 2.2. The validity of any oral agreements, including modifications and integrations to the General Conditions, is dependent upon Lumson's prompt written confirmation.
- 2.3. Communications received by fax or over the computer shall also be considered written confirmation.
- 2.4. The Order and these General Conditions shall be deemed fully accepted if no remarks to the contrary are made by registered mail or certified email by two days after their receipt.
- 2.5. If the Supplier does not accept the Order in writing by 1 (one) calendar week after its receipt, Lumson shall be entitled to cancel it.
- 2.6. If there is a discrepancy between these General Conditions and those specified in the Purchase Order, the content of the latter shall prevail.
- 2.7. The quality and quantity of the material and goods must exactly match the indications in the Order, and in any event, be perfectly suitable for their intended use. The material and goods must also comply with all legal prescriptions, rules and regulations, including those in the area of accident prevention and environmental/ecological health currently in effect in Italy and Europe on the date they were delivered.
- 2.8. Any drawings, data, or information that Lumson sent for adjustments and improvements shall be deemed approved and accepted by the Supplier if it does not communicate its reservations before the Order starts being fulfilled.

### 3. Means of Supply and Transportation

- 3.1. The Supplier undertakes:
  - a) under its own responsibility and at its own expense, to deliver the goods and products ordered to the places on the Order, unless otherwise agreed among the parties
  - b) to make the delivery bringing the goods/products together with a regular goods transport document or another legally valid document in its place, which must give the related number of the Order issued as well as the description, Lumson codes and quantities and units of measurement of the goods/products being delivered. Lumson's warehouse does not accept material that is not accompanied by a goods transport document or a document in its place that is legally valid with the minimum information necessary for tracing the materials delivered;
  - c) under its own responsibility and at its own expense, to do the packaging, loading and unloading, transport, and delivery of the goods/products supplied, as well as any disposal of leftover material, guaranteeing full compliance with all applicable regulations, unless otherwise agreed among the parties.
  - d) to inform Lumson in a timely manner of any accident or potential defect in the goods and products supplied which might jeopardize their safe use or processing or that makes them noncompliant with legal prescriptions or the conditions agreed upon.
- 3.2. The material must be packaged following current safety regulations in order to ensure the safety both of workers designated to moving and handling and of the material itself, facilitating the loading and inspection operations.
- 3.3. Every parcel must only contain material with the same Order number; unless otherwise stated on the Purchase Order, the minimum information for proper recognition and traceability of the material supplied must be on every parcel.
- 3.4. For material to specification, the supply must come with that required on the Order or its attached specifications. These requirements must be on the goods transport document.

### 4. Acceptance and Guarantee

- 4.1. The Supplier shall undertake to accurately fulfill the Order to a T, also following the prescriptions from applicable national and European regulations and is liable to Lumson for any defect and/or abnormality of the good/product.
- 4.2. The Supplier guarantees fast repair and/or free replacement of the goods and/or products which are defective or non-compliant with legal prescriptions and/or technical contractual specifications. In any event, the Supplier shall be charged the cost for disassembly operations, assembly, and certainly for the defect/abnormality and its repair or replacement, as well as the transport costs, without prejudice to any further damages, as set forth in art. 20.2.
- 4.3. Deliveries and supplies that differ from the specifications set in Lumson's contracts and Orders are admissible only by its written consent.
- 4.4. For any complaints, the quantities, weights, and dimensions that Lumson measured when accepting the goods shall be taken as reference.
- 4.5. In case of a defect, flaw, and/or noncompliance, Lumson has the right to make the good compliant by repairing or replacing it without incurring costs, or sufficiently lower the price or terminate the contract, and any other legal remedy.
- 4.6. At its own discretion, Lumson may ask the Supplier to repair the good or replace it, either way not incurring costs, unless the remedy requested is objectively impossible or too much more expensive than the other.
- 4.7. Repairs or replacements must be done by a reasonable deadline, in any event, no more than five business days after the complaint was sent and/or by another deadline Lumson sets, and must not cause considerable inconveniences for Lumson, taking into account the nature of the good and the reason why it purchased the good.
- 4.8. When it decides not to resort to the remedy under paragraph 4.1.1 or that under art. 5 below, Lumson, at its own discretion, may request a commensurate price reduction or termination of the contract, as per art. 18 when one of the following situations occurs:
  - a) repair or replacement are impossible or much too expensive;
  - b) the Supplier did not see to the repair or replacement of the good by the reasonable deadline set forth in paragraph 4.7;
  - c) the replacement or repair already made caused considerable inconveniences
- 4.9. In determining the extent of any price reduction, the use, nature, and value of the good shall be taken into account.
- 4.10. After notification of the noncompliance, the Supplier may offer Lumson any other remedy available, with the following effects:
  - a) if Lumson has already asked for a specific solution, the Supplier is still obliged to implement it, with the necessary consequences in terms of when the reasonable deadline is up as set forth in paragraph 4.7, subject to Lumson's acceptance of the alternative solutions suggested;
  - b) if Lumson hasn't already requested a specific solution, Lumson must accept the suggestion or reject it, choosing another solution as set forth in this article.
- 4.11. If the Supplier is unable to fix or replace the good, Lumson has the right to have third parties repair or replace it, charging the related sum to the Supplier itself, or to completely or partially refuse the supply.
- 4.12. The Supplier shall be liable, as set forth in this article, when flaws, defects, and/or abnormalities appear before the term of two years after the good was delivered. Lumson is not required to meet the deadlines for notifying flaws, defects, and/or abnormalities as set forth in art. 1495 Civil Code.
- 4.13. The Supplier shall provide another 12 (twelve) month guarantee, at the same conditions under the paragraphs above, for each replacement, repair, or correction carried out during the guarantee period, starting from the day that the replacement, repair, or correction was completed successfully and in a satisfactory manner.
- 4.14. The Supplier agrees that the guarantees specified herein shall be in addition to any guarantee set by law or expressly provided by the Supplier in addition to those specified herein and to any other guarantee, either express or implicit, applicable to the related purchase. These guarantees are separate from any tests, acceptances, or payments on Lumson's part.
- 4.15. The above guarantee shall not prejudice Lumson's rights to any damage it may suffer due to flaws or noncompliance of the goods themselves in any way.

### 5. Refusal of the supply

- 5.1. Lumson shall have the right to refuse the supply if it has flaws or if it is not compliant with the related Order or the Supplier's specifications. The Supplier will be notified of the non-acceptance by email.
- 5.2. The Supplier will have to pick up the goods delivered and not accepted by 10 (ten) business days after the date of receipt of the non-acceptance notice. Once these 10 days are up, Lumson shall give the Supplier the goods back at the latter's expense and own risk.
- 5.3. Not refusing the supply shall not in any way limit the guarantees stated under Art. 4.

### 6. Delivery Deadlines

- 6.1. The delivery deadlines and schedules are binding and peremptory. Not just delays, but also any deliveries prior to the agreed periodic ones are thus out of the question. Material delivered before the set date without a specific request from Lumson may be refused, and in this case, the material will be sent back to the Supplier under its responsibility and at its expense. If the material is not returned, the payment period shall in any event begin from the agreed delivery date.
- 6.2. If there is a delay in complete or partial order fulfillment, a fine shall apply, without prejudice to the right to claim greater damages and unless otherwise indicated on the Purchase Order, calculated on the entire Order total, and specifically:
  - 4% from 7 to 12 days late 6% from 13 to 20 days late 8% over 20 days
  - 1% for each week of delay, up to a maximum of 10% of the order value.If it is over 20 days late, in addition to the fine accrued and any greater damages, Lumson also has the right to proceed with termination of the contract by law. If, while fulfilling the Order, it is hindered by proven circumstances of force majeure, as set forth in art. 9.2, the delivery deadlines shall be deemed extended and the new deadline will be set by mutual agreement among the parties, on the condition that the Supplier informed Lumson in writing in a timely manner and took all necessary actions to limit the effects of the force majeure event which occurred.
- 6.3. The dates and deadlines agreed on in writing between Lumson and the Supplier are binding for the latter. Punctual fulfillment by the delivery periods and dates depends on the date Lumson receives the goods.
- 6.4. Unconditional acceptance of a late delivery shall not entail—and cannot in any way be construed as, or equated with—Lumson's waiver of the right to fines and/or any greater damages.
- 6.5. Normally partial deliveries or supplies are not allowed, except when Lumson has expressly agreed to them.
- 6.6. Lumson shall not be held liable for over-deliveries, over the thresholds stated on the purchase order that the Supplier had not previously agreed with Lumson itself, which therefore Lumson shall have the right to refuse with charges at the Supplier's expense.

### 7. Right to withdrawal

- 7.1. Lumson has the right to withdraw from the Order at any time and for any reason and/or cause whatsoever by written communication sent by registered mail with return receipt or certified email sent to the Supplier no later than 10 (ten) days after delivery, undertaking to send the goods back intact; specifically, Lumson shall have the right to withdraw from the Order at any time and without prior notice in the event of liquidation, bankruptcy, or the Supplier's being subject to other insolvency proceedings.
- 7.2. In the event of withdrawal, the moment it receives the registered mail with return receipt or certified email, the Supplier must immediately stop fulfilling the Order. In the event of withdrawal, the parties shall, in good faith, agree on a compensation for the Supplier (right to withdrawal payment): the above-mentioned compensation that Lumson pays the Supplier, in full satisfaction of all claims, may not in any event be greater than any reasonable costs incurred and duly documented by the Supplier for performing each contract for which the right to withdraw was exercised, unless otherwise agreed upon in writing among the parties.

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Consequently, the Supplier waives the right to make any other claim besides that established in paragraph 7.2. Payments the Supplier already received before Lumson exercises the right to withdrawal shall be returned immediately to the latter and/or used to offset other sums due to the Supplier deriving from other orders as well.

### 8. Surplus

- 8.1. Lumson shall be solely obliged to pay the amounts ordered, save for the surplus agreed-upon.
- 8.2. Any surplus shall be kept simply at the Supplier's own risk and expense.
- 8.3. Once 10 (ten) days have passed from the date of notification of the surplus and the Supplier has not picked up the goods or sent instructions for shipments at its expense, Lumson may return the extra goods over the amounts ordered to the Supplier exclusively at the Supplier's risk and expense.

### 9. Force majeure

- 9.1. Neither party shall be held liable for delays or default due to causes of force majeure.
- 9.2. "Force majeure" means when events occur beyond reasonable control, such as to physically impede fulfillment of all or part of the obligations required by the Order, which thus the parties themselves could not have foreseen, prevented, or avoided, acting with due diligence and adopting all reasonable business and technical measures.
- 9.3. Parties that wish to invoke force majeure must give written notice to the other party of their intention by seven business days after the event occurs, and will have to confirm it in the next 15 business days with documentation certified by the competent authorities. By five business days after the force majeure event has ended, the same party must notify the other party that the event is over.
- 9.4. Without prejudice to that mentioned above, if the event attributable to force majeure should cause over 30 days' delay in the scheduled delivery date, Lumson shall withdraw from the Order by a notice to be sent to the Supplier with registered mail with return receipt or certified email.

### 10. Intellectual and Industrial Property

- 10.1. The Supplier guarantees that there are no patent rights on the goods or any other intellectual or industrial property rights of third parties. In any event, it shall undertake to explicitly defend and hold Lumson entirely harmless against all third-party claims to this regard.

### 11. Confidentiality

- 11.1. The Supplier shall undertake to keep confidential all data, information, documentation, and news that come to its knowledge in any way regarding the performance of the services in the Order, and to give instructions to its personnel so that they are kept confidential.
- 11.2. Unless otherwise agreed upon in writing, the Supplier shall be obliged to keep confidential every concept, idea, or method—even if it came up with them itself—that ends up being instrumental to fulfilling the contractual obligations.
- 11.3. For those confidential data, the Supplier shall undertake to exercise the utmost care and utmost discretion following the applicable regulatory provisions.
- 11.4. Lastly, the Supplier agrees that the breach of any one of the obligations related to this confidentiality clause is sufficient to cause Lumson serious and irreparable detriment; moreover, this breach shall automatically entail termination of the contractual relationship.

### 12. Processing of Personal Data

The parties shall undertake, following the prescriptions under European regulations on personal data protection 2016/679, to exchange all the data needed to perform the Contract. The personal data to be processed in relation to the relationship established between the parties particularly regards employees, personnel in general, and the parties' collaborators. Specifically, the company shall process the data in question for these purposes:

- the fulfillment of the contractual clauses
- the management of relations between the parties;
- the fulfillment of legal obligations;
- administrative/accounting management;
- the management of any litigation;
- intergroup reporting activities;
- internal and external monitoring activities (safety, productivity, service quality, asset integrity);

The parties are obliged to follow and make others follow, for that which concerns them, EU Regulation 2016/679, with no additional burden to the other party.

The data shall be processed in hard copy and digital form and for the purposes stated in this contract. The granting of data is necessary, and without it, it will not be possible to properly perform the contract.

The Supplier declares it is aware of the security measures required by regulations on personal data protection, and when performing the Contract it shall avail of absolutely trustworthy, qualified personnel, guaranteeing confidentiality and security of data, information, and archives in compliance with the security measures to reduce the risk of destruction or loss, even accidental, of personal data to a minimum, as well as unauthorized access or processing that is not allowed or noncompliant with the collection purposes.

All the aforesaid data and documents comprising the contractual relationship shall be kept for the fulfillment of all and any obligations linked to or arising from the legal or contractual obligations, as provided for by applicable regulations.

Both parties shall assume all and any liability for breaching the provisions in EU Reg. 2016/679 and in this article, even if carried out by managers, authorized individuals, employees, or collaborators in general, that the party may have availed of in performing the Contract.

It is hereby acknowledged that neither party may assume liability to the other for any breaches of the above-mentioned regulation attributable to third parties.

### 13. Applicable Law and Court of Jurisdiction

- 13.1. The Order shall apply to Italian law.
- 13.2. For any dispute which may come up between the parties in reference to interpretation and/or performance and/or termination of the contract, the Orders and/or these General Conditions the Judicial Authority of the Court of Cremona shall have exclusive jurisdiction, expressly excluding jurisdiction of other courts provided for by Law alternatively and/or optionally.

### 14. Price and Transfer of Risk

- 14.1. The prices are to be deemed with delivery conditions as specified in the order. The value added tax (VAT) is not included.  
The Supplier shall take on all risk for losses or damage of the merchandise up until Lumson or one of its representatives receives it at the place of delivery agreed upon following the Order, without prejudice to a different agreement among the parties.  
The sum of the compensation for goods and/or services in the supply shall be agreed upon in each separate order. The prices agreed-upon may not be changed, unless otherwise expressly agreed in writing case-by-case. When compensation is not envisaged at a preset price in an Order, but according to the costs incurred and documented, the Supplier guarantees to maintain its request in the scope of the total offer or quote approved. Lumson will therefore pay additional costs only if approved beforehand and documented in writing.

### 15. Billing and Payment Terms

- 15.1. The price of the goods is exclusively that stated on the Order. Unless otherwise agreed upon in writing, this price must be considered set, not subject to review or adjustments and inclusive of all costs, including packaging and shipment.
- 15.2. The Supplier shall send Lumson invoices following the instructions on the Order. The invoices themselves must have the Order's references, amounts, and description of the goods supplied, date and reference of the shipment sheet and price breakdown, and must come with the necessary supporting documentation.
- 15.3. Every delivery, even partial, must be followed by a regular invoice issued in compliance with current legislation.
- 15.4. Lumson shall process the invoices which are not compliant with the above conditions as null and nonvalid and they will be sent back to the Supplier.
- 15.5. The payment deadline shall be that on the Order.
- 15.6. The Supplier's right to receivables may not be transferred to third parties unless Lumson authorizes it in writing. Moreover, the Supplier shall not be allowed to entrust third parties in any way with the mandate to collect or in any event resort to other forms of delegating the collection of debts.
- 15.7. Quotes are binding for the Supplier and shall not entail any remuneration unless expressly provided for with Lumson's written agreement.
- 15.8. Any payment for supplies rendered shall not be construed as approval of them.
- 15.9. Pro-rata billing is not allowed on orders with a single delivery date.
- 15.10. For orders with different delivery dates in the same month, one monthly bill is required. The agreed payment periods shall begin only once the Order has been entirely processed.
- 15.11. For orders with scheduled delivery dates in different months, a monthly invoice for the deliveries carried out is required. The agreed payment periods shall begin only once the entire monthly supply has been provided.
- 15.12. For early deliveries which were not agreed-upon, the payment period shall begin from the delivery date stated on the Order itself.
- 15.13. To avoid mix-ups with payments, it is essential that each invoice show the order number/Lumson code and its Order number and line.
- 15.14. Any deadlines on 08/31 or 12/31 of each year must be moved to the 10th day of the next month.
- 15.15. Costs for collection and stamps are not included.

### 16. Liability and Insurance

- 16.1. The Supplier shall be exclusively liable to Lumson and any other third party for any damages to things and/or people, property and/or any other material damage, loss, or harm caused by failing to fulfill, or incorrectly fulfilling the obligations under the contract, or in any event by the goods' function.
- 16.2. The Order may envisage the Supplier's opening suitable insurance policies adequate to cover all liability, that in compliance with paragraph 16.1 may arise, to Lumson, undertaking to hold the latter harmless from such damages and liability.

### 17. Suspension

If there is a written request to partially or completely suspend the Order, the Supplier must stop working and take action to cancel any costs. Resumption of activities shall be communicated in writing.

### 18. Code of Ethics, Legislative Decree 231/2001 and Anti-Bribery&Corruption Policy

The Code of Ethics is an integral part and building block of the Compliance Program Lumson adopted in accordance with the regulation under Legislative Decree no. 231/2001.

The Code of Ethics applies to corporate bodies, employees, holders of a power of attorney, and collaborators who, for any reason regardless of the type of contractual relationship, work in the name of and on behalf of the companies in the group Lumson belongs to. Moreover, Lumson requires third parties to follow the Code of Ethics as well (partners, clients, suppliers, professionals, consultants, and other types of outside parties) that it establishes relationships or business relationships with. Lumson also requires compliance with the adopted Anti-Bribery&Corruption Policy.

Therefore, upon receipt of the Order, the Supplier shall undertake to immediately look at the Code of Ethics and Anti-Bribery&Corruption Policy on Lumson's website as well as any subsequent amendments and/or updates to it.

Additionally, the Supplier is obliged to follow the prescriptions and ethical principles and conduct which Lumson adopts with the Code of Ethics.

The Supplier's not following these provisions—without prejudice to any other remedy contemplated in the cited regulation and reimbursement for any damages Lumson suffered—shall entail the Order's termination by law, in accordance with that set under art. 20 "Termination".

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The supplier shall comply with the legal regulations concerning the treatment of employees, environmental protection, occupational health and safety, and undertake to eliminate or at least minimize the negative effects of its activities on man and the environment. In this respect, the Supplier shall establish and develop a quality system, commensurate with its possibilities. Furthermore, the supplier shall respect the principles of international human rights protection, the right to collective bargaining, the abolition of forced labour and child labour, the abolition of discriminatory criteria in the recruitment of employees, environmental responsibility and the prevention of corruption.

**20. Termination**

20.1. Lumson may communicate termination of the contract by law at any time with a written notice to the Supplier and entering into effect as of the date that Lumson gives in that notice, if the Supplier:

- a) does not fulfill its confidentiality obligations as set forth in art. 11;
- b) becomes a shareholder, partner, or is subjected to any form of control, even indirect, of one of Lumson's competitors;
- c) does not fulfill its obligations of non-transferability of receivables;
- d) does not meet the delivery deadlines or does not see to fixing the flaws and/or abnormalities with the timing under the contract;
- e) implements conduct that seriously damages Lumson's reputation and/or its products;
- f) does not follow the prescriptions and ethical principles and conduct which Lumson adopted with the Code of Ethics as well as Anti-Bribery&Corruption Policy

20.2. When one of the events above occurs, the Supplier shall be deemed in default and Lumson may avail of any legal remedy and must pay all and any direct and/or indirect damages which Lumson suffered

**21. Contractual documents**

21.1. The contract is comprised of these General Conditions and the Order which Lumson sends from time to time that are an integral part of it.

The Supplier, in acceptance \_\_\_\_\_

Date .....

Company's seal and signature

In compliance with and by effect of that set forth under articles 1341 as amended of the Italian Civil Code, the Supplier explicitly approves these clauses:

- 2. Orders and their Modification
- 4. Acceptance and Guarantee
- 5. Refusal of the Supply
- 6. Delivery deadlines
- 7. Right to Withdrawal
- 9. Force Majeure
- 11. Confidentiality
- 13. Applicable Law and Court of Jurisdiction
- 14. Price and Transfer of Risk
- 15. Billing and Payment Terms
- 16. Liability and Insurance
- 17. Suspension
- 18. Code of Ethics, Legislative Decree 231/2001 and Anti-Bribery&Corruption Policy
- 20. Termination
- 21. Contractual documents

The Supplier, in acceptance \_\_\_\_\_