

GENERAL CONDITIONS OF CONTRACT FOR PURCHASE AND SUBCONTRACTING

The following General Purchasing & Supply and sub-contracting Terms and Conditions are the sole terms and conditions regulating orders issued by Lamiflex S.p.A, except in cases where Lamiflex chooses to deviate from these in writing or by means of specific agreements and contracts between the Parties. Supply Specifications, where referred to, form an integral part of these Terms and Conditions.

GENERAL CLAUSES

1. The Supplier shall return a duly signed copy of the order in acceptance within 7 (seven) days of receiving, either by fax or mail. The Order shall, in any case, be deemed to have been accepted if the Supplier fails to return it with- in said deadline.
2. The dates, quantities, places and terms of delivery and/or supply indicated in the order are binding for the Supplier. If the agreed terms and conditions are not respected, Lamiflex can caution the Supplier to fulfil the terms of the agreement and, in the case of serious and repeated breach of contract, Lamiflex may cancel the agreement, while reserving the right to claim damages. In the case of late delivery, Lamiflex may apply to the Supplier a 3% penalty for each week of late delivery after a period of grace (one week) and up to a maximum of 10% the total value of the order. Any early deliveries (i.e. prior to the agreed date) shall only be accepted on the following conditions:
 - a) All payments shall be effected as foreseen in the order;
 - b) Lamiflex has sufficient storage space to hold the goods, otherwise the goods may be returned at the Supplier's own cost and risk.
3. The place of delivery is that where the goods and /or services shall be supplied in conformity with the terms and conditions of the order. Shipments shall be accompanied by the relative transport documents, which must include the order number, product codes, the exact destination of goods, and the address indicated in the order. Any items arriving without the necessary wording and/or without the required transport documents will be returned to the sender and be the subject of a Non-Conformity note.
4. All goods shall be packaged by the Supplier at its own expense and be fitting to the type of product and transport so as to guarantee the welfare and safety of operators during handling.
5. Each delivery must be accompanied by the documents certifying the quality and conformity of the products supplied (Certificate of Conformity, Chemical Analysis, technical, etc.) as well as any expiration where this is a requirement. For expiring materials, at least three-quarters of maximum service life must be guaranteed, unless otherwise required by the Terms of Delivery.
6. The materials supplied by "Retailers / Distributors" are to be delivered with Certificates of Order Compliance, which ensure the proper storage of materials and a copy of the Manufacturer / Producer Compliance Certificate.
7. The Supplier guarantees that the Products comply with the following provisions:
 - a) European Regulation n. 1907/2006/EC and subsequent amendments (hereinafter REACH Regulation), concerning the registration, evaluation, authorisation and restriction of chemicals;
 - b) European regulation n. 1272/2008/EC and subsequent amendments (hereinafter CPL Regulation), concerning the classification, labelling and packaging of chemicals and mixtures;
 - c) Decision of the Council n. 2006/507/EC and subsequent amendments, concerning the conclusion, on behalf of the European Community, of the Stockholm Convention on persistent organic pollutants;
 - d) Directive n. 2002/95/EC subsequent amendments (RoHS Directive), concerning the restriction of the use of certain hazardous substances in electrical and electronic equipment.

According to REACH Regulation, the Supplier undertakes to register substances in Products at the European chemical agency (ECHA). Pursuant to REACH Regulation and CPL Regulation, the Supplier undertakes to provide to Lamiflex, concurrently with each Product, the relevant updated Safety Data Sheet, in Italian language. The Supplier shall also send the said Sheet to Purchase Manager Office of Lamiflex, by e-mail at the following address: uff.acquisti@lamiflex.it.

If the composition of the Product changes, the Supplier shall provide to Lamiflex the relevant Safety Data Sheet, as well as send a copy of the said Sheet, by e-mail to Purchase Manager Office of Lamiflex.

Furthermore, for each Product, supplied or modified, which contain substances of very high concern (hereinafter SVHC substance) included in the Candidate List of substance, the Supplier shall specify, as per article 33 of the REACH Regulation, that the Product contains SVHC substance in a concentration above 0,1 % weight by weight (w/w). In this case the Supplier shall provide the name of the SVHC substance, the weight by weight percentage ratio, and sufficient informations to allow safe use of the Product.

Otherwise, the Supplier shall specify that the Product does not contain SVHC substance or contains SVHC substance in a concentration less than 0,1 % weight by weight (w/w).

If the Product contains a SVHC substance listed in annex XIV of REACH Regulation, the Supplier shall provide to be authorised to place on the market and use this substance, after the relevant sunset date.

The Supplier shall send the above declarations, signed by its authorized legal representative and on its letterhead, to Purchase Manager Office of Lamiflex at the following address: uff.acquisti@lamiflex.it. In case during the supply of the Products, a new substance, contained in the Product, has been added to the Candidate List of substance, the Supplier shall send to Purchase Manager Office of Lamiflex a separate write communication. The update Candidate List of substance is available on European chemical agency web site (<https://echa.europa.eu/it/candidate-list-table>).

The Supplier shall indemnify Lamiflex for any damage arising from any breach of the duties set forth in article 7 of these General Conditions of Contract for Purchase and Subcontracting. In any case, Lamiflex reserves itself the right to claim compensation for any direct or indirect damage.

8. In the case of ceased production by the Supplier of an article in usual supply, the supplier is required to inform Lamiflex with such an advance that allows, if necessary, a provision that can assure to Lamiflex the continuity of its production.
9. The prices indicated in the order are considered fixed until the completion of the supply. Payments will be made in accordance with the Order provided that: a valid invoice has been issued; the supply has been accepted by the quality control according to what's provided in the following section "Clauses relating to quality assurance"; there are no suspended breaches of contract notified to Supplier by Lamiflex. Payments falling on 31 August and 31 December of each year shall be definitely postponed to the 10th day of the following month. The accounts receivable arising from the order may not be transferred or sold to third parties.
10. The Supplier shall treat all commercial and technical information made available by Lamiflex as confidential, this being subject to industrial property rights belonging to Lamiflex, including any results obtained while carrying out the order received from Lamiflex. The Supplier shall also be expected to transmit all information and data to Lamiflex, who shall be recognized as the rightful owner of such information and data. The Supplier undertakes to extend these obligations to its own employees and to any subcontractors it may use. All Quality requirements transmitted by Lamiflex, must be fully reported by the Supplier and be seen on the subcontractor. All information and data contained in the order and the pertinent enclosures shall be considered as strictly confidential and may only be used for the purposes foreseen by the order and may not be reported. The order may not be sold by the Supplier to third parties without first obtaining written approval to do so from Lamiflex.

- 11.** If the order is carried out on Lamiflex premises (contract), the Supplier is expected to provide all necessary technical measures during the production process in order to guarantee the welfare and safety of its own workers, in compliance with the laws governing occupational health and safety (Italian Legislative Decree 81/08), including information provided by Lamiflex regarding any risks in the workplace, accident prevention measures and procedures and any adopted emergency measures relative to its own production processes. Lamiflex must be informed about any subcontracts; only those subcontractors authorized by Lamiflex may perform the work indicated in the order and shall assume the same liabilities and obligations as the Supplier when performing the order.
- 12.** Lamiflex may unilaterally withdraw from the order at any time, in whole or in part, informing the Supplier of its intention to do so in writing. Upon receipt of said notification, the Supplier shall immediately interrupt any activities on behalf of Lamiflex, who shall pay the Supplier an adequate sum of money to cover any costs directly incurred by the same as a result of termination. The Supplier shall accept said sum in full settlement and satisfaction of any claim it may forward as the result of termination of the order and shall make every possible effort to reduce the aforementioned direct costs. The sum paid to the Supplier by Lamiflex on account of unilateral termination of the order may not, under any circumstances whatsoever, exceed the agreed price that would have been paid by Lamiflex if the work had been completed in accordance with the order. Lamiflex reserves the right to demand delivery of any goods ready for dispatch and the relevant documents. Lamiflex shall have the right to terminate the order, in whole or in part, informing the Supplier of its intention to do so in writing, with effect from the date on which the Supplier receives said notification, in the following cases:
- non delivery of the goods and/or services within the agreed delivery terms;
 - non conformity of the goods and/or services with the technical/quality requirements foreseen in the order;
 - breach of the provisions of clauses 2, 5, 7, and of the following section "Clauses relating to the application of the Organizational Management Model" L.D. 231/01" breach of welfare, insurance, health & safety and environmental terms leading to losses or prejudice for Lamiflex;
 - the Supplier discontinues its business or starts bankruptcy proceedings, enters receivership, is involved in agreements with creditors or any other winding-up proceedings.

If the order is terminated, Lamiflex shall have the right to claim a refund for all costs, expenses and burdens it may have incurred, included therein those deriving from the procurement of the Supply from third parties; Lamiflex shall also have the right to obtain damages for any further losses incurred as a result of terminating the order.

- 13.** All business relations arising from this agreement are governed and regulated by Italian Law. Any disputes arising from such relations as a result of this agreement shall be decided exclusively by the Bergamo Court of Law, expressly excluding any alternative law courts.

ORIGIN DECLARATION

- 14.** In case of supply of a new Product, the Supplier undertakes to send the origin declaration of the new Product to Lamiflex and renew the origin declaration upon its expiry date. Otherwise, Lamiflex shall terminate immediately the supply relationship. It's understood that, in this case, Lamiflex reserves itself the right to claim compensation for any direct or indirect damage, including any penalties arising from failure to provide the origin declaration.

CLAUSES RELATING TO QUALITY ASSURANCE

- 15.** The Supplier undertakes to guarantee and maintain the level of Standard of quality set at the time of qualification for the entire duration of the supply (including skills, qualifications of people, processes, etc.). Lamiflex reserves the right to introduce a specific Quality Control or Acceptance Test to suit the goods and/or services fore- seen in the order.
- 16.** Upon being notified, the Supplier (including sub-contractors, if any) shall recognize the rights of Lamiflex, the Customer, any Surveillance Body and Civil/Military Authorities to access plants where the goods are manufactured or services are carried out and to view the relative documentation without this relieving the Supplier from its obligations of warranty or constituting acceptance.
- 17.** The Supplier guarantees that the supply shall comply with the specifications indicated in the order and pertinent enclosures and that it is free of faulty materials and/or manufacturing defects, design faults and software errors, where applicable. Before making any changes, the Supplier shall inform Lamiflex. Unless otherwise specified, all supplies must conform to the review

of technical documents in force on the order issue date.

- 18.** Should the products fail to respect the Supply Specifications (non conforming products), the Supplier shall inform the Lamiflex Quality Control department within 24 hours after detection, segregate and clearly identify the product as being NC, awaiting written decisions from LQC concerning their approval and subsequent processing.
- 19.** Acceptance of goods and/or services is subject to inspection and/or checks in order to ensure accuracy, suitability and the absence of flaws. Lamiflex shall inform the Supplier of any such problems immediately upon discovery. Any items found to be non-conforming at acceptance and/or during manufacturing shall be replaced entirely at the Supplier's own expense within the term of 10 days from receipt of the goods, even if the corresponding invoice has already been paid. Failure to do so shall give Lamiflex the right to correct the faulty material itself or have it corrected by third parties at the Supplier's expense, reserving the right to claim further damages including losses due to production standstill.
- 20.** Any time that Lamiflex discovers a case of non conformity, it shall immediately inform the Supplier by means of a Non Conformity Report (NCR). The Supplier shall be charged for each NCR. The cost of NC management is €50.
- 21.** The Supplier acknowledges and agrees that the delivery is not accepted will be deemed never delivered and in this case will be applied step 2.

ADDITIONAL CLAUSES FOR AERONAUTICAL FIELD SUPPLIERS (A)

- 22.** If not certified yet in accordance with EN-AS-JISQ-9100, the Supplier shall take all efforts to acquire this certification. In case of impossibility to achieve certification Lamiflex will guarantee for the supplier:
 - a) If raw material supplier, specific documentation will be requested;
 - b) If the supplier is a subcontractor, a specific process will be activated that includes an audit of the supplier and the formulation of a DQP, a declaration of process qualification
- 23.** The supplier shall ensure the prevention of any counterfeit parts.
- 24.** Any modification to the organization, process, products or services including changes to the use of sub-contractors or production sites that are involved in the order in progress must be agreed in advance.
- 25.** The Supplier of raw material undertakes to perform the First Article Inspection (FAI) on the first lot provided to Lamiflex. The relevant Report shall comply with the requirements of EN-AS-JISQ-9102 latest Revision. If the supplier does not have the FAI forms, he can request them directly from the Lamiflex Quality Office by writing to the following e-mail address: cq@lamiflex.it. The Supplier shall provide this Report to Lamiflex, concurrently with the first delivery of the Product. The supplier undertakes to perform the first article inspection every two years and to send the Report to Quality Manager Office of Lamiflex, by e-mail, at the following address: cq@lamiflex.it
- 26.** In the case of subcontracting, the supplier is required to ensure the flow-down of Lamiflex requirements.
- 27.** The supplier is required to keep and make available the supporting documentation for a period of not shorter than five years from the date of delivery.
- 28.** The supplier shall ensure that his employees are aware of their contribution to product and service compliance; their contribution to product safety; the importance of ethical behaviour.

CLAUSOLE AMBIENTALE ENVIRONMENTAL CLAUSES

- 29.** The Supplier is required to satisfy all environmental rules and regulations. Merely by way of example and not limited to this, said rules and regulations may include:
- the existence of all permits and letters of authorization to carry on the activities in question (e.g. air emissions, discharges, waste management);
 - the existence Fire Safety Certificates if so required;
 - etc..

CONCERNING THE SUPPLY OF MACHINERY/EQUIPMENT

- 30.** The Supplier declares, guarantees and certifies that its machinery and equipment conform with EU Directives concerning product safety, including and not limited to Directive 2006/42/EC (Machinery Directive) and subsequent updates.
- 31.** Supplier shall guarantee the availability of spare parts, machinery and equipment for a minimum period of 10 years from the time of purchase of plant. All products shall be supplied under warranty for a minimum period of 24 (twentyfour) months from the date of delivery or inspection.
- 32.** In order to guarantee the correct use and maintenance of its machinery and equipment, the Supplier shall provide the relevant instruction and maintenance handbook in the Italian language.

PRIVACY LAW

- 33.** Lamiflex undertakes to process personal data in compliance with the European Regulation n. 679/2016 concerning the protection of personal data and the Italian Legislative Decree 10 August 2018, n. 101, concerning the provisions for the alignment of the Italian legislation to the aforementioned European Regulation. In this regard, Lamiflex has already sent the Privacy Notice to the Supplier.

CLAUSES RELATING TO THE APPLICATION OF THE ORGANIZATIONAL MANAGEMENT MODEL L.D.231/01

- 34.** The Supplier declares to be aware of the provisions of Legislative Decree 231/2001, and that he acknowledges the provisions of the Code of Ethics of Lamiflex SpA published on its web site (<http://www.lamiflex.it/corporate-governance/?lang=en>), and he declares to conduct his business in accordance with appropriate procedures, to avoid the occurrence of any illicit facts relevant to pursuance of the said Decree. Any breach or attempt to breach by the Supplier, and any person who works for him, of the code of ethics of Lamiflex S.p.A. or relevant behaviour under the above law, which Lamiflex at any time has become aware of, entitles Lamiflex to terminate the Order/Contract for due reason.

CODE OF ETHICS

- 35.** The Supplier declares to refrain from seeking or obtaining benefits from third parties by promising or guaranteeing remuneration that is not related to legitimate and correct business relationships.
- 36.** The Supplier undertakes to comply with the principles set out in ILO Conventions relating to abolition of forced labour, elimination of child labour, equality and trade union freedom.
- 37.** The Supplier shall not hire children under 16 years of age, unless permitted by applicable law and with mutual written consent. Without prejudice to compliance with the regulations in force and to the prior written consent of Lamiflex, the Supplier may employ apprentices under the age of 16 for the performance of the Orders.
- 38.** The Supplier may use penitentiary work for the provision of services or for the manufacture of products for Lamiflex, only with written consent of the latter.

39. The Supplier shall employ, during the performance of the order/contract, only suitably trained employees and shall ensure compliance with the rules on safety at work.

40. The supplier guarantees also the respect of these obligations by its potential suppliers.

The Supplier guarantees to comply with company, tax and social security legislation during the execution of the Order/Contract and not to use illegal work. In order to verify the correct fulfillment of legal obligations, the Supplier undertakes to provide to Lamiflex the relevant documentations.

41. Any breach by the Supplier of the provisions stated above, entitles Lamiflex to terminate the Order/Contract, as per articles 1455 and 1456 of the Italian Civil Code. In any case, Lamiflex reserves itself the right to claims compensation for any direct or indirect damage (included but not limited to the damage arising from the penalties provided for Legislative Decree 231/2001 and reputational damage).

**These GENERAL CONDITIONS OF PURCHASE CONTRACT AND SUBCONTRACTING
are to be considered
an integral part of the orders issued by Lamiflex S.p.A.**