

GENERAL PURCHASE CONDITIONS (PRODUCTS AND/OR SERVICES) – REV. 2026

1. General information and Definitions

- 1.1. The following terms, as used in these General Purchase Conditions for products and services (hereinafter referred to as the "**General Conditions**") shall have the meanings set out below, with the understanding that they may be used either in the singular or in the plural form without losing or altering their meaning.
- 1.2. These General Conditions apply to all contracts for the purchase and supply of goods or services (hereinafter referred to as the "**Contract(s)**") entered into by System Ceramics S.p.A. with registered office at via Ghiarola Vecchia 73, 41042 Fiorano Modenese (MO), Italy, VAT No. and Tax No. IT03718840360 (hereinafter referred to as "**System Ceramics**") and its suppliers (hereinafter referred to as the "**Supplier(s)**"), for the manufacture and/or supply of products and services (hereinafter referred to as the "**Product(s)**" and/or "**Service(s)**") indicated from time to time in the individual Contract(s). These General Conditions form an integral and substantial part of the formal purchase order issued by System Ceramics (hereinafter referred to as the "**Order**") to which they are attached or from which they are referred to together with further additional documents referred to in the Order, which the Supplier declares to be fully aware of. System Ceramics and the Supplier are also referred to jointly as "**the Parties**" and severally as "**each Party**".
- 1.3. These General Conditions are the only conditions governing System Ceramics' purchase of Products and Services by the Supplier.

2. Scope and Conclusion of the Contract

- 2.1. Each sale or supply to System Ceramics shall be expressly set out in a Purchase Order ("Order"). The Order shall only be binding on System Ceramics if it is duly signed by its attorneys with appropriate powers of representation. Please note that:
 - a. any offer of Products and/or Services that the Supplier sends to System Ceramics has the value of a sales proposal for the relevant Products and/or Services (the "**Sales Proposal**"); the Sales Proposal is understood to be accepted and the Contract concluded only when System Ceramics expressly accepts the Sales Proposal in writing by issuing a specific Order;
 - b. in the absence of a Sales Proposal from the Supplier, the Contract is concluded and the Order issued by System Ceramics becomes, therefore, irrevocable, from the moment when the relevant duplicate (**Order Confirmation**) is received from the latter, without any variation or addition and duly signed by the Supplier for acceptance; alternatively, the Contract is concluded and the Order issued by System Ceramics becomes irrevocable after ten (10) days starting from its receipt from the Supplier even without the latter having explicitly confirmed it, in accordance with current commercial customs.
- 2.2. These General Conditions prevail over the Supplier's general sales conditions in all cases, regardless of when the Sales Proposal or the Supplier's general sales conditions were sent to System Ceramics.
- 2.3. System Ceramics' acceptance of Products and/or Services and/or payment of the related price or part thereof, shall not constitute acceptance of the Supplier's general sales conditions under any circumstances and shall not entail any amendment to these General Conditions; in case the Supplier begins the execution of the supply, such circumstance constitutes a tacit acceptance of these General Conditions and the specific conditions expressed in the Order.
- 2.4. The Order and these General Conditions (collectively, the "**Contract**") form the entire agreements between the Parties. Furthermore, the Contract and any additional related documents constitute the entire understandings between the Parties on the subject matter, and annul and replace any other agreements or understandings, whether written or oral, which may exist or have existed between the Parties on the subject matter hereof.
- 2.5. The Supplier expressly acknowledges that System Ceramics may make changes to the Contract at any time, subject to prior written notice, and hereby accepts changes which do not entail a change in the essential elements of the Order (such as, for example, the scope of the supply, price, payment terms, etc.).
- 2.6. Any condition or amendment provided by the Supplier to the Order and/or to these General Conditions upon acceptance of the Order or in any other document, even subsequent to such acceptance, if not expressly agreed and accepted in writing by System Ceramics, shall be deemed as being ineffective.
- 2.7. By accepting the Order, the Supplier represents and guarantees to System Ceramics that:
 - a. it assumes full technical and administrative liability for the performance of the Contract both towards System Ceramics and third parties;
 - b. it has the ability, means, including financial and organisation means, necessary to execute the Contract and will be liable for the actions of its employees, also with reference to damages caused by them to System Ceramics and/or its and/or third party employees;
 - c. its activities will be performed and arranged, where necessary, in coordination with those carried out by System Ceramics, or by third parties designated by System Ceramics, by asking questions and requesting information useful for the execution of the Contract;
 - d. it is not subject to and/or directly or indirectly controlled by any person and/or entity that is subject to national or international measures, restrictions and/or embargoes (including but not limited to restrictions issued by: European Union Consolidated Financial Sanctions List; consolidated list of the Office of Financial Sanction Implementation ("OFSI") of HM Treasury; Specially Designated Nationals and Blocked Persons List of the Office of Foreign Assets Control (OFAC) of the U.S. Department of the Treasury ("OFAC")). In this respect, it undertakes to check that its subcontractors, if any, meet the above requirements;
 - e. without prejudice to its liability to fully and punctually execute the Contract, it shall notify System Ceramics, as soon as possible and in writing, of the occurrence of any facts and circumstances that may prevent the execution of the Contract in accordance with the procedures and time schedule set out therein.

3. Delivery of Products and/or execution of Services.



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- 3.1. The Supplier acknowledges and agrees that the delivery terms of the Products and/or the execution of the Services as specified in the Order are essential.
- 3.2. The Supplier undertakes to deliver the Products and/or perform the Services at the agreed location, in accordance with the delivery and/or performance terms and conditions specified in the Order.
- 3.3. The Supplier acknowledges and agrees that product ownership is transferred to System Ceramics when such Products are received by System Ceramics at the location specified in the Order.
- 3.4. Any agreed business terms with respect to the transfer of risk will be interpreted according to the agreed delivery term in the Contract (2020 Incoterms®).
- 3.5. The Products will be marked, packaged, labelled, identified, shipped and transported according to System Ceramics' instructions and applicable regulations. The Supplier must pay compensation for damages resulting from any delay, loss or damage due to failure in marking, packaging, labelling, identification, shipping, or as a result of non-compliance with the instructions or abovementioned applicable regulations. Unless otherwise agreed in the Order or authorized by System Ceramics, the Supplier undertakes to insure the Products against all possible accidents or damage that may occur during transport (including, but not limited to, theft, fire, loss damage, etc.) with a suitable insurance policy taken out with a reputable insurance company approved by System Ceramics, and to strictly use carriers that offer services in compliance with the best international standards applicable to the sector, subject to System Ceramics' prior written approval. The Supplier will provide System Ceramics with adequate notice of the insurer and carrier for approval.
- 3.6. The delivery terms are fulfilled if the Products and/or Services are delivered within the agreed time schedule at System Ceramics premises or other place indicated in advance by System Ceramics, free from defects and manufactured and/or performed in a workmanlike manner. The number of days required to eliminate defects in the Products and/or Services shall be counted as a delay. The Supplier acknowledges and agrees that System Ceramics has the right to inspect the Products and/or Services even after the delivery date of the Products and/or the date of performance of the Services specified in the Order. System Ceramics has the right to reject the Products and/or Services if, as a result of the inspection, they do not comply with the Order specifications. In this case, the Supplier undertakes to act promptly for the withdrawal of the Products and/or the rectification of non-compliant Services, bearing all the consequent expenses and costs.
- 3.7. Delays or early deliveries with respect to the delivery terms and programmes indicated in the Order are not allowed unless otherwise agreed. Therefore, System Ceramics is authorized to reject Products and/or Services received and/or performed before the agreed delivery terms, at the Supplier's expense and risk, or to charge the Supplier for the storage costs of the Products.
- 3.8. In case of delivery delays not due to Force Majeure, System Ceramics shall have the right, at its own discretion, to one or more of the following options:
 - a. claim the execution of the Order, in whole or in part;
 - b. arrange directly for the supply of the Products and/or Services, in whole or in part, charging all costs and expenses to the Supplier upon written notice to the Supplier;
 - c. terminate the Contract, with immediate effect, pursuant to and in accordance with Article 1456 of the Italian Civil Code, by written notice to the Supplier.
- 3.9. It is understood and agreed that Supplier's failure to meet the delivery terms specified in the Contract will impair System Ceramics' operation. So, in the settlement of all rights and claims due to delay, Supplier shall pay to System Ceramics, without the need for System Ceramics to prove any damage actually occurred, an amount equal to 0.3% of the total value of the undelivered Products and/or unperformed Services for each calendar day of delay with respect to the delivery terms established in the Order, up to a maximum of 10% of the value of the undelivered Products and/or unperformed Services. The abovementioned liquidated damages shall not derogate from any other remedy to which System Ceramics shall be entitled such as to claim compensation for the greater damages actually suffered.
- 3.10. The Supplier is required to maintain, at its own expense and for the entire duration of the supply, the stocks of Products necessary to ensure the continuity of supplies according to the agreed schedule. If specific stocks are specified in the Order, the Supplier agrees to maintain them. If the Supplier fails to meet its obligations, a penalty equal to 20% of the value of the missing stock will be applied to the Supplier, without prejudice to System Ceramics' right to terminate the Contract with immediate effect in accordance with the provisions of Article 11 below.

4. Execution of Services at System Ceramics premises

- 4.1. If the Services commissioned in the Order shall be executed at System Ceramics' premises (facilities owned or leased by System Ceramics), the Supplier (contractor) undertakes to implement all the technical measures during execution of the activities in order to guarantee the safety and security of its own personnel, in compliance with the applicable occupational health and safety regulation (Legislative Decree 81/08 and subsequent amendments), and according to information provided by System Ceramics regarding internal environmental risks, prevention and emergency measures and procedures adopted.
- 4.2. Supplier is not allowed to subcontract the Services to third parties or other companies controlled by the Supplier unless specifically authorized by System Ceramics in advance. In such an event, the Supplier shall be liable for full and complete fulfilment of the Contract and/or the Order by its subcontractors; moreover, the Supplier shall be responsible to submit all necessary all the documentation to verify the professional suitability of the subcontractor.
- 4.3. When performing Services under this Article 4, the Supplier shall provide System Ceramics, upon acceptance of each Order, with all the documentation required by System Ceramics to accept the Supplier as a qualified contractor. In particular, to comply with System Ceramics obligations related to health and safety regulations to avoid risks and define the measures that will have to be applied as to prevent health and safety risks on the worksite, the Supplier shall provide System Ceramics with the following documents at least 5 days prior to the start of Services:



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- a. certificate of registration with the Chamber of Commerce highlighting the company's purpose inherent to the type of contract, and any additional certifications enabling the installation of systems not mentioned in the above certificate - or equivalent document in the case of a foreign company;
 - b. self-declaration by Supplier certifying its compliance with the technical and professional requirements, pursuant to article 47 of the Unified Text of legislative and regulatory provisions on administrative documentation (DPR 445 of 28 December 2000) drafted according to the template available on System Ceramics website;
 - c. Risk Assessment Document (DVR) pursuant to article 17, paragraph 1, letter a) of Legislative Decree 81/08 and subsequent amendments and integrations relating to the contracted works - or equivalent document in the case of a foreign company, containing a specific indication of the risks that may be induced in the environment and on persons, as well as the relative measures to control and mitigate said risks that are to be adopted, specifying the costs, or Operational Safety Plan (POS) pursuant to articles 89 and 96 of Legislative Decree 81/08 and subsequent amendments and integrations - or equivalent document in the case of a foreign company, with particular reference to the contents indicated in attachment XV of the same decree, if the nature of the contract falls within the construction works referred to in attachment X and XI of Legislative Decree no. 81/08 and subsequent amendments and additions;
 - d. tax and wage compliance certificate (DURC) pursuant to Ministerial Decree 24/10/2007 as per article 14.2 - or equivalent document in the case of a foreign company;
 - e. self-declaration certifying that the Supplier is not subject to suspension or prohibition measures pursuant to article 14 of Legislative Decree 81/08 and subsequent amendments and integrations, drafted according to the template available on System Ceramics website;
 - f. insurance certificate, or a copy of the third party insurance and employer civil liability insurance policy accompanied by a copy of the receipt certifying the validity of the coverage, with appropriate ceilings according to the type of work to be performed, according to what is established in article 8 of these General Conditions;
 - g. qualification documentation relating to the employees who will take part in the activities covered by the contract, including certificates of personnel training courses enabling them to use the equipment or to perform specialised work required to carry out the services purchased and presenting specific risks that require special knowledge.
- 4.4. The Supplier shall undertake to ensure that its personnel and/or its subcontractors comply with all safety and environmental protection rules, regulations and legal provisions in force, as well as with any safety and environmental protection provisions in force at System Ceramics' premises. The Supplier is responsible for all the expenses and consequences that may arise from failure to comply with the above rules and regulations, relieving System Ceramics from all liability, also towards third parties.
- 4.5. The Supplier is responsible for ensuring that its personnel and/or its subcontractors comply with the rules and regulations on occupational hygiene and accident prevention. Under its sole liability and by adopting the necessary accident prevention precautions, the Supplier warrants that all means and work equipment used for the Contract execution comply with current laws and regulations on occupational safety and hygiene; the Supplier shall adopt all necessary accident prevention and custody precautions required during the Contract execution. Furthermore, it ensures that the equipment is constantly and periodically maintained in full compliance with the manufacturer's instructions and, upon request, will provide System Ceramics with the relevant plans and schedules required to keep the equipment in perfect working order.
- 4.6. Pursuant to article 18 letter U) and article 26 paragraph 8 of Legislative Decree 81/2008, the Supplier must ensure that all its personnel and subcontractors' personnel are provided with a special identification card, accompanied by a photograph of the employee, indicating the latter's personal details and the name of the company to which he/she belongs. The cards must be displayed by each of the Supplier's employees and must be clearly visible throughout the performance of the Services. The Supplier shall notify System Ceramics the name of person appointed to coordinate the Supplier's personnel and/or subcontractors at worksite. This appointed person shall ensure sufficient presence for personnel management, mutual coordination and supervision.
- 4.7. The Supplier shall not allow personnel not previously authorized by System Ceramics to enter the premises/plants of System Ceramics or its contractors.
- 4.8. Failure to comply with health and safety regulations prescribed at the worksite or environmental protection regulations applied from time to time, and the related instructions, constitutes material breach of the Contract so that System Ceramics shall be entitled to terminate the Contract, without prejudice to any wider Supplier's liability for any damage, accident or injury that may occur during the performance of the Services or as a result thereof.
- 4.9. The Supplier hereby states that it has been made aware of the risks existing in the environment in which it will operate and of the prevention and emergency measures adopted in relation to the activity carried out by System Ceramics. The Supplier declares to be informed and aware about all risks of interference deriving from the performance of its activities, System Ceramics's activities and the presence of any other companies involved in the execution of the Services by means of the Interference Risk Assessment Document drawn up by System Ceramics (D.U.V.R.I.), pursuant to article 26, paragraph 3 of Legislative Decree 81/08.

5. Specific equipment and materials

- 5.1. The Supplier must execute the supply using its own machinery and equipment.
- 5.2. Any equipment that System Ceramics may exceptionally make available to the Supplier for the execution of the Order remains the exclusive property of System Ceramics. System Ceramics grants the use of this equipment to the Supplier free of charge. The equipment will be returned at System Ceramics' simple request, at any time and without any need for justification. The Supplier is liable for the loss, destruction or damage thereof. The equipment may only be used by the Supplier's personnel who are properly trained and who have the necessary occupational health and safety permits.
- 5.3. With regard to the equipment referred to in paragraph 5.2 above, the Supplier must:
 - a. register the equipment as the property of System Ceramics;

- b. where requested by System Ceramics, provide adequate insurance coverage against fire, theft, vandalism, natural disasters, tampering and other insurable risks of loss or damage;
- c. store and use the equipment with the utmost care and carry out routine maintenance at its own expense, without tampering with or modifying the equipment;
- d. inform System Ceramics of any extraordinary repairs, replacements, modifications or remakes that are required, with the utmost urgency, in which case System Ceramics will decide whether and how to carry them out; the relative expenses will be borne by System Ceramics unless they are due to negligence or to other causes attributable to the Supplier, in which case all the expenses will be borne by the latter;
- e. not transfer the equipment except as authorised by System Ceramics in advance from time to time;
- f. allow System Ceramics' employees to check, during normal working hours, the conditions of its storage and use, as well as its condition of use;
- g. not transfer the equipment to third parties for any reason whatsoever and not provide any guarantee on it;
- h. not use the equipment or allow it to be used other than for the execution of the Order even after the termination of the relevant supply;
- i. comply with the instructions given by System Ceramics regarding the use of the equipment.

If the Supplier misuses the equipment, System Ceramics shall have the right to charge all the damages resulting from such misuse.

- 5.4. The provisions contained in paragraphs 5.2 and 5.3 above shall be understood to apply *mutatis mutandis* also in relation to semi-finished products and other materials owned by System Ceramics that it has made available to the Supplier for or in relation to the execution of the Order.

6. Product Prices and Service Fees. Payment terms.

- 6.1. The price for the purchase of the Products and/or the fee for the performance of the Services is the amount specified in the Order (respectively, the "Price" and the "Fee").
- 6.2. Any additional charges, expenses or costs incurred by the Supplier in connection with the shipment of the Products and/or the performance of the Services will be charged to the Supplier, unless otherwise stated in the Order.
- 6.3. Any change in the Product Price and/or in the Service Fee shall not be valid and effective without System Ceramics' prior written consent.
- 6.4. The invoicing and payment terms for the amounts actually due (and not contested) as Product Price and/or Service Fee are those specified in the Order.
- 6.5. Without prejudice to its rights and remedies, System Ceramics has the right to offset any sum owed by System Ceramics to the Supplier at any time, pursuant to Article 1252 of the Italian Civil Code, regardless of the liquidity and collectability requirements of these receivables and payables.
- 6.6. Payments will be made against presentation of invoices issued in accordance with the procedures set out in the Order and against presentation of shipping documents and of any other documents provided for in the Order.
- 6.7. The payment terms will be agreed between the Parties from time to time and indicated in the Order. Unless otherwise stipulated, such terms shall be latter are valid from System Ceramics' express or implied acceptance of the Products and/or Services.
- 6.8. In any case, System Ceramics' failure to challenge an invoice cannot be regarded as acceptance thereof.
- 6.9. Any sums that the Supplier may owe System Ceramics by way of penalties or for any other reason will be deducted from each payment.
- 6.10. In addition to the provisions of article 6.5, if the Supplier fails to comply with the provisions contained in the Order and in these General Conditions, System Ceramics will be entitled to withhold payments to the Supplier that have accrued for prior services or in any case services other than those covered by the Order as a guarantee against the Supplier's failure to comply with its obligations arising from the Order, as well as to offset such credits. System Ceramics is also entitled to withhold payments accrued for supplies relating to the Order to guarantee the Supplier's non-fulfilment of prior obligations or obligations other than those covered by the Order.
- 6.11. If, on a batch or batches of Products supplied, a percentage of defective or non-conforming Products is found that is appreciably higher than the agreed tolerance limit, System Ceramics is entitled to suspend the payment of an amount equal to the price of the batch in question from the total payments due to the Supplier at that time, until the Supplier has delivered the replacement Products or batch.

7. Products and/or Service Acceptance and Warranty.

- 7.1. The mere taking delivery of and/or payment for Products and/or Services cannot under any circumstances be considered as acceptance thereof, which is the responsibility of System Ceramics' competent bodies. Acceptance is deemed automatically made by System Ceramics three (3) months after delivery if nothing is objected to within this period. The right to warranty for hidden defects or malfunctions is not affected even if the Products and/or Services are accepted by System Ceramics.
- 7.2. The Supplier guarantees the quantitative conformity of the Products with the agreement. If the quantity of the Products delivered does not conform to the agreed quantity, System Ceramics shall have the right, at its option, to do one or more of the following:
 - a. accept the differences in quantity, with the right to increase or decrease the quantities of any subsequent supplies accordingly;
 - b. without prejudice to any tolerances agreed in advance in writing, reject the part of the supply that is in excess, with the right, if the Supplier does not collect it immediately, to return the excess at the expense and risk of the Supplier or to charge the Supplier for stock and storage costs;
 - c. require that the Supplier immediately send the missing part of the supply, it being understood that any greater burden or expense for the immediate integration of the shortfall shall be borne by the Supplier.

If, when checking receipt, there is a quantitative non-conformity with respect to what is declared in the delivery note, System Ceramics, in addition to what is provided for above, may charge the Supplier a penalty equal to 10% of the amount of the price of the missing Products.

- 7.3. The Supplier warrants that the Products and/or Services supplied are free from defects and in conformity with the provisions of the Order and the regulatory requirements applicable to the Products and/or Services, as well as the proper functioning and durability of



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the same for a period of twenty-four (24) months from the date of delivery of the Products and/or the date of performance of the Services respectively ("**Warranty Period**"), unless otherwise specified in the Order.

7.3.1. With regard to the Products, the Supplier undertakes to warrant to System Ceramics that, during the Warranty Period, the Products are (i) free from defects in design and manufacture, (ii) in accordance with the technical specifications, drawings, designs, samples and any other requirements set out in the Order, (iii) fit for their intended purpose and capable of functioning as set out in the Order, (iv) merchantable.

During the Warranty Period, if System Ceramics contests in writing to the Supplier the defectiveness of the Products, the Supplier shall promptly take steps to replace or repair the defective Products (at System Ceramics' option), bearing all the relevant costs and/or expenses (including, without limitation, transport and shipping costs for the defective and replacement Products). Furthermore, in this case, the Supplier undertakes to reimburse System Ceramics for the administrative and handling costs relating to the defective Product as specified in the Order. If the defective Products are not replaced or repaired by the Supplier within a reasonable time (in any case not later than fifteen (15) days from the written notice of defectiveness sent by System Ceramics to the Supplier), System Ceramics is entitled, at the Supplier's expense, to call upon third parties to replace or repair these defective Products.

This does not affect the obligation to compensate System Ceramics for any further damage.

7.3.2. Regarding the Services, the Supplier undertakes to warrant to System Ceramics that during the Warranty Period the Services will be (i) free from defects in execution and/or design (ii) compliant with the technical specifications set out in the Order, (iii) fit for their intended purpose as set out in the Order.

During the Warranty Period, if System Ceramics disputes in writing to the Supplier that the Services are defective, the Supplier must act promptly and restore the defective Services correctly and bear all the relevant costs and/or expenses. Furthermore, in this case, the Supplier undertakes to reimburse System Ceramics for the administrative and handling costs relating to the defective Service as specified in the Order. If the defective Services are not restored by the Supplier within a reasonable time (in any case not later than 15 days from the written notice of defectiveness sent by System Ceramics to the Supplier), System Ceramics is entitled, at the Supplier's expense, to engage third parties to restore these defective Services.

This does not affect the obligation to compensate System Ceramics for any further damage.

7.4. If System Ceramics refurbishes its systems to replace or repair Products that are found to be defective, non-functional or not compliant with legal requirements, and even if the defect or non-functioning or non-conformity is found after the expiry of the warranty, the Supplier must provide System Ceramics with the Products necessary to carry out this refurbishment campaign free of charge and at no cost to System Ceramics and will reimburse System Ceramics for the cost of dismantling, assembly and refurbishment, provided that the Supplier's liability is established.

7.5. In addition to the provisions and regulations of this article, the Supplier undertakes to supply System Ceramics with all components, spare parts and, in general, all spare parts relating to the Products for a duration of ten (10) years from delivery of the same, manufactured with materials and technologies equal to or superior to those used in the manufacture of the Products.

8. Insurance

8.1. In addition to all the insurances required by law, the Supplier shall take out with leading insurance companies, suitable "Third Party Liability", "Product Liability" and "Transport Liability" policies covering any of the Supplier's liabilities regarding the Products and/or Services and, in any case, the Supplier must take out an adequate policy covering all possible accidents or damages that the Product and/or Service may cause to System Ceramics and to third parties.

8.2. These policies shall be kept in force for the entire duration of the Supplier's obligations under this Contract.

8.3. The Supplier undertakes to deliver to System Ceramics, at System Ceramics' request, the insurance certificate that specifies the details relating to the insurance coverage, as well as suitable documentation proving the regular payment of the relative insurance premiums, it being understood that the existence of said policies may in no way be interpreted as a limitation of the liabilities that are incumbent on the Supplier, by law or in relation to the performance of the Contract. Consequently, the Supplier is directly liable if the extent of the damages incurred exceeds the limits set out in the policies referred to above.

8.4. If claims are made against System Ceramics, including out-of-court claims, for civil liability (including Product Liability) and/or contractual liability, or if System Ceramics is charged with violating legal (safety, pollution, etc.) or contractual requirements as a result of the defectiveness, non-conformity or unreliability of the Products and/or Services supplied, the Supplier shall be obliged to indemnify and hold System Ceramics harmless and to pay compensation for any damages that System Ceramics may have suffered. System Ceramics will immediately inform the Supplier as soon as it becomes aware that the breach of the standard or the invocation of its liability is based on the defectiveness, non-conformity or non-functioning of the Products and/or Services supplied by the Supplier.

9. Confidentiality and Intellectual Property Rights

9.1. Each Party may disclose to the other Party information of a technical and/or commercial nature relating to the Products and/or Services, market forecasts, or information or material which includes or relates to Intellectual Property Rights (such as, but not limited to, costs, draft and/or final design drawings, plans, technical specifications, calculations, documents in general and other data). Such information, whether communicated orally, in writing, electronically or through other forms of communication, regardless of whether it is labelled "secret", "confidential" or "privileged", shall be deemed to be confidential information (hereinafter "**Confidential Information**").

9.2. Each Party undertakes: a) to keep the Confidential Information received from the other Party strictly confidential; b) to use the Confidential Information received from the other Party only for the purposes of the Contract; c) not to divulge or communicate in any way to third parties the Confidential Information received from the other Party; d) to disclose the Confidential Information only to the personnel who, within their respective organisations, are called upon to operate for the execution of the Order and to ensure that their respective employees and/or collaborators scrupulously comply with the confidentiality constraints set out in this article.

- 9.3. The obligations referred to in this Article will continue to be fulfilled after the conclusion of the Contract until the Confidential Information in question has come into the public domain for reasons beyond the Supplier's control. In particular, with reference to Confidential Information, the Supplier must, even after the termination of the Contract, comply with the following:
- a. keep it with the utmost care and confidentiality and, if requested, return it to System Ceramics;
 - b. mark it as belonging to System Ceramics if System Ceramics has not done so;
 - c. not to reproduce or copy it except within the limits expressly authorised by System Ceramics and not to transmit or disclose its contents to third parties until it has become of public knowledge through no fault of its own;
 - d. not to apply for patents or other industrial property rights, which, however, if applied for and granted, must be transferred to System Ceramics as exclusive property;
 - e. not to produce or cause to be produced and/or supply to third parties, for any reason whatsoever, directly or indirectly, products designed or manufactured using the above technical information;
 - f. impose and guarantee compliance with the obligations deriving from this article on its employees, suppliers or third parties cooperating with the latter, to whom System Ceramics has authorised the transmission of the Confidential Information referred to above, for the purposes of executing the Order.
- 9.4. For the purposes of these General Terms and Conditions, the term “**Intellectual Property Rights**” means all industrial and intellectual property rights relating to: (a) patents; (b) trademarks; (c) Internet domain names; (d) designs; (e) software and firmware; and (f) trade secrets, technical or commercial information, know-how.
- 9.5. The Parties expressly acknowledge and agree that: a) all Intellectual Property Rights owned by (or licensed to) the other Party are and shall remain the exclusive property of that Party (or of its licensors); b) each Party shall not acquire, through the Contract, any interest in the other Party's (or its licensors') Intellectual Property Rights.
- 9.6. If any Supplier Intellectual Property Rights are incorporated into the Products and/or Services, the Supplier licenses to System Ceramics these Intellectual Property Rights so that System Ceramics has the right to (a) use the Products and/or market the Products to its customers, and/or (b) use the Services. This licence is non-exclusive, free of charge, irrevocable and without territorial limits.
- 9.7. If, in connection with research, design, experimentation or development work carried out in execution of the Order, the Supplier makes inventions, whether they can be patented or not, or intellectual property, the Supplier must inform System Ceramics and make available all the information and documentation useful or necessary for the creation of these inventions, while granting System Ceramics a free, non-exclusive licence right to produce or reproduce them (both directly and through third parties) and to sell and use them in Italy and abroad. If the invention covered by the industrial property right or the copyrighted work applicable to the Products and/or Services has been obtained by the Supplier independently and not in connection with research, design, testing or development work carried out in execution of the Order or it has been obtained without making use of System Ceramics' information, documentation or technical collaboration, System Ceramics must pay fair remuneration for the licence. If requested by System Ceramics, the Supplier agrees to apply for the appropriate patent for the invention in Italy and in the main foreign countries or to allow System Ceramics to do so, in the name and on behalf of the Supplier.
- 9.8. If the Supplier carries out the work described above in execution of a specific assignment by System Ceramics, the invention and the relative industrial property rights, the drawings and, in general, the technical results and intellectual property obtained will be the exclusive property of System Ceramics, provided that the assignment was given by System Ceramics for consideration.
- 9.9. The Supplier undertakes not to use System Ceramics' Confidential Information and Industrial Property Rights, of which it has become aware, for the manufacture of other products similar to those covered by the Order, unless System Ceramics has given prior written authorisation to do so.
- 9.10. The Supplier must inform System Ceramics in writing in advance whether and, if so, which industrial property rights - relating to or applicable to the Products and/or Services or a part incorporated therein - are owned or used by the Supplier under licence from third parties. Failure to inform the Supplier in advance will be understood as a waiver of the right to assert these industrial property rights against System Ceramics, as well as against those suppliers to whom System Ceramics may have entrusted the manufacture of the Products on its behalf, even after execution of the Order. Non-disclosure will also mean that System Ceramics, and such other suppliers, will be granted permission to use the industrial property rights used by the Supplier covered by third-party licence.
- 9.11. The Supplier warrants that the manufacture, use and marketing of the Products and the parts used in the manufacture of the Products do not lead to the infringement of third-party industrial property rights, both in Italy and abroad, and shall assume the burden of promptly settling any third-party claims and, in any case, holding System Ceramics harmless from any claims and protected from any action that could prohibit free manufacturing and sale. In any case, the Supplier indemnifies System Ceramics from any liability and holds it harmless from any charge or claim that may be made against the latter in relation to the use of patents, licences, designs, models, trademarks and other industrial property rights relating to the supplies, materials, equipment, processes and resources used to manufacture the Products. Should any disputes arise in relation to these industrial property rights, the Supplier undertakes to intervene and take the place of System Ceramics, if the latter is cited, ensuring its defence and reimbursing the latter for all the expenses and charges it incurs.
- 9.12. If System Ceramics is forced to cease using the Products as a result of the above-mentioned claims, the Supplier shall immediately grant System Ceramics, at its own expense, one of the following alternative arrangements:
- a. replace or modify the Products to avoid further disputes on the right of use, it being understood that equivalent performance to that of the original Products shall be ensured;
 - b. repossess the Products from System Ceramics, returning the payment received.
- However, it is understood that, in any case, the Supplier must compensate System Ceramics for the damage suffered.
- 9.13. If requested by System Ceramics, the Supplier undertakes to affix the System Ceramics trademark or other trademarks or distinctive signs belonging to System Ceramics to the Products and any spare parts, in the manner and according to the instructions ordered by System Ceramics. Under no circumstances will such application be construed as a licence to use the System Ceramics trademark.

Therefore, the Products as marked above may only be supplied to System Ceramics. The use of System Ceramics' trademarks must cease at any time at the simple request of System Ceramics and, in any case, with the last supply contained in the Order.

10. Force Majeure

- 10.1. If the performance of the Contract is prevented by the occurrence of proven force majeure circumstances, which shall mean any unforeseeable, unavoidable act or event beyond the reasonable control of the Parties (including but not limited to: war (whether declared or not), insurrections, terrorist attacks or acts, riots or other civil unrest; catastrophic events, natural disasters, national or regional emergencies; epidemics; fires, sabotage, earthquakes, floods, explosions, whirlwinds, hurricanes, adverse weather conditions, strikes, lockouts), the Supplier must immediately notify System Ceramics in writing of the occurrence of any such circumstance and must take all the measures necessary to limit its effects.
- In these cases, the delivery periods are extended and the new period is to be agreed upon by the Parties. Force majeure may not be invoked if it arises after the expiry of the agreed delivery period. Under no circumstances shall delays by the Supplier's subcontractors, for whatever reason, be considered as force majeure. For the avoidance of doubt, the following shall not be considered events of Force Majeure: increase in raw material, energy or transport costs; difficulty or inability to source materials or components; shortage of labour or personnel; organisational inefficiencies of the Supplier or its subcontractors; any event that could reasonably have been foreseen or avoided through appropriate organisational, commercial or procurement measures. The Supplier hereby declares that it has implemented adequate business continuity plans and multi-sourcing strategies.
- 10.2. If the force majeure circumstance results in a delay in delivery of more than twenty-five (25) days or even a shorter delay that is incompatible with the commitments made by System Ceramics to its customers or with the production requirements of System Ceramics, System Ceramics will be entitled to fully or partially terminate the Contract at any time by simply notifying the Supplier in writing.
- 10.3. System Ceramics' liability is excluded in the event of natural disasters, strikes, fires, picketing or other circumstances beyond the control of System Ceramics preventing receipt of the Products.

11. Termination of the Contract

- 11.1. If the Supplier does not fulfil exactly what is required for the proper performance of the Contract, in accordance with the provisions of these General Contract Terms and Conditions, System Ceramics may give written notice to the Supplier to do so within a period of not less than five (5) days. The Contract is automatically terminated if the Supplier has not remedied the breach within this period.
- 11.2. In addition to the provisions of other parts of these General Conditions, the Contract will be automatically terminated, pursuant to and for the effects of Article 1456 of the Italian Civil Code, by simple written notice to that effect from System Ceramics, if the Supplier fails to comply with the representations and warranties provided pursuant to and for the effects of paragraph 2.7 above, as well as with the obligations set out in articles 3.8, 3.10, 4 (Execution of Services on the premises of which System Ceramics has legal availability), 5 (Specific equipment and materials), 9 (Confidentiality and Intellectual Property Rights), paragraphs 7.3 and 10.2.
- 11.3. The Contract will also be terminated, pursuant to and for the purposes of Article 1353 of the Italian Civil Code, without any notification by the Parties being required for this purpose, in the event that bankruptcy petitions or other insolvency proceedings, seizures, foreclosures, civil or criminal convictions of the Supplier's legal representatives that prejudice the good name or that may hinder its activity have been submitted, as well as in the event of a merger, liquidation or sale of a company by the Supplier or a change in the Supplier's shareholding structure or that of its parent company, unless, in the latter cases, System Ceramics has been previously informed and has given its written consent to the continuation of the Contract. The Supplier undertakes to promptly inform System Ceramics of the occurrence of any of the above-mentioned events. Early termination of the supply relationship, as a result of one of the cases described in this paragraph, will not result in any liability for System Ceramics towards the Supplier, except for payment for the supplies already made, without prejudice to the provisions of Article 6 above.
- 11.4. System Ceramics is also entitled to terminate the Contract, by means of prior written notice, if situations, facts or acts occur that are indicative of a situation of supervening or foreseeable inability on the part of the Supplier to ensure the normal fulfilment of its obligations (such as, purely by way of example, non-payment or delayed payment to employees, social security institutions, tax authorities, suppliers or banks, protests on bills of exchange, foreclosure, revocation of licences or authorisations, preparatory and/or initial acts of voluntary liquidation proceedings, etc.). In this case, termination will take place if the situation referred to in this paragraph does not cease within ten (10) days from the time System Ceramics sends written notice to the Supplier.
- 11.5. In the aforementioned cases of termination of the Contract, System Ceramics is entitled, in any case, to retain the Products already delivered, paying the relative amount deducted and, if the termination is attributable to the Supplier's default, an amount corresponding to 10% of the contractual price agreed for the entire supply as a penalty, without prejudice to compensation for any greater damages.

12. Limitation of liability

- 12.1. In no event shall System Ceramics be liable to the Supplier for any costs, expenses, losses arising from the improper performance of contractual obligations or direct and indirect or consequential damages that may be suffered by the Supplier for any reason in connection with the Contract, including the early termination of the Contract.
- 12.2. The Supplier undertakes to indemnify and hold System Ceramics harmless from any direct or indirect damage, cost or expense or liability, including those arising from third party claims or demands, that are a direct or indirect consequence of any breach of the Contract, the Technical Specifications and the General Conditions, including any product liability pursuant to paragraph 8.4.
- 12.3. The Supplier shall indemnify and hold System Ceramics harmless from and against any claim, proceedings, action, fine, loss, cost and/or damages arising from the violation of any applicable export control and trade sanctions, law and regulation including but not limited to the unlawful diversion of use of the Products and/or to the use of the products resulting in making economic resources available to any restricted parties and the Supplier shall compensate System Ceramics for all the losses and expenses directly resulting thereof.



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13. Transfer of the Contract and Receivables

- 13.1. The Supplier may not transfer the Contract and/or its execution and/or the claims arising from it to any third party without the prior written consent of System Ceramics.
- 13.2. Any and all possible charges arising from such transfer shall be borne solely by the Supplier and the transfer will take effect from the time that it is approved in writing by System Ceramics.
- 13.3. In accordance with Article 1406 of the Italian Civil Code, System Ceramics is entitled to assign the Contract or parts thereof to its subsidiaries or controlled/affiliated companies by simply notifying the Supplier in writing.

14. Privacy

The Parties, each insofar as it is within its competence, mutually declare, pursuant to Article 13 EU Regulation 2016/679 (hereinafter "GDPR") and Legislative Decree 196/2003 and subsequent amendments, that all personal data shall be processed by electronic and manual means in Italy and abroad for the time strictly necessary for the execution of the Contract, without prejudice to an additional storage period that may be imposed by legal obligations.

15. Compliance

- 15.1. The Supplier is aware of the contents of Legislative Decree 231/2001 on the administrative liability of companies for offences committed by persons representing or acting on behalf of the company.
- 15.2. The Supplier acknowledges that System Ceramics has adopted an Organizational Model pursuant to Legislative Decree 231/2001, inspired by the values of business ethics, legality, integrity and professional independence, as well as the Code of Ethics of the COESIA Group (available at <https://www.coesia.com/en/group/corporate-governance/business-ethics>), with which System Ceramics is affiliated.
- 15.3. The Supplier unreservedly accepts the Code of Ethics and the Organisational Model of System Ceramics and undertakes to conform its own conduct, as well as that of its directors, managers, employees, collaborators and other appointed persons, to the principles contained therein, on the understanding that the commission by the Supplier of one of the offences indicated in Legislative Decree no. 231/2001, as well as violation by the Customer of the principles contained in the Code of Ethics and/or in the Organisational Model of System Ceramics, may result in the termination of the Contract by System Ceramics.

16. Miscellaneous

Communications and notices - The addresses of the Parties for the purposes of the Contract are those indicated above and/or in the Order. All notices shall be deemed to have been duly given to the addressee thereof (i) if hand delivered, on the day of delivery, (ii) if given by e-mail or facsimile transmission, on the business day on which such transmission is sent and confirmed, (iii) if sent by registered mail within seven (7) business days following the date it was mailed, in each case, to an address or facsimile number provided by such addressee.

Audit and right of verification - The Supplier undertakes to maintain, for the entire duration of the Contract, an organisation, operational procedures, control systems, and technical, qualitative, environmental, safety and accounting documentation adequate to ensure the proper performance of the obligations arising from the Contract and from these General Conditions. System Ceramics shall have the right, directly or through its appointed representatives, consultants, end customers or authorised third parties, upon reasonable notice except in urgent cases, to carry out audits, inspections and verifications at the Supplier's premises and those of any subcontractors involved in the execution of the Contract, in order to verify: a) compliance of the Products and/or Services; b) compliance with qualitative, technical and production requirements; c) compliance with health, safety, environmental, labour and workers' rights regulations; d) compliance with applicable export control, international sanctions, anti-corruption and compliance regulations; e) compliance with confidentiality and data protection obligations; f) adequacy of business continuity and supply chain management measures.

The Supplier undertakes to fully cooperate during audit and verification activities, promptly making available documents, records, certifications, information and qualified personnel requested by System Ceramics.

Where audits reveal non-conformities or breaches of contractual or applicable legal obligations, the Supplier shall implement, at its own expense, appropriate corrective actions within the timeframe indicated by System Ceramics, without prejudice to the right of System Ceramics to exercise any further remedies provided under the Contract or applicable law.

The execution of audits or inspections by System Ceramics shall in no way limit or exclude the Supplier's full liability in relation to the Products, Services and performance of its contractual obligations.

Press releases, publications - Any advertising that refers to supplies made to System Ceramics must be authorised in advance by System Ceramics in writing from time to time. In such cases, the Supplier undertakes to comply with the form of advertising and all the other conditions that will be prescribed.

Amendments and supplements - The Contract may only be subject to amendments and supplements by written agreement signed by both Parties.

Waiver - During the performance of the service, tolerance by one of the Parties of conduct by the other Party that does not comply with one or more of the provisions contained in these General Conditions or the Contract does not imply a waiver of its rights at any time.

Nullity - The clauses of these General Conditions are correlative and inseparable from each other. The possible nullity or invalidity of individual clauses of these General Conditions shall not entail the nullity or invalidity of the others or of the Order. The parties undertake to negotiate in good faith a substitute provision that can maintain the contractual balance.

17. Governing law and dispute resolution

The Order and the Contract shall be governed by Italian law, with express exclusion of the rules on conflict of laws.

Any dispute relating to the validity, interpretation, execution and termination of the Contract shall be referred exclusively to the Court of Bologna.



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The Supplier

place

date

stamp and signature

Pursuant to and for the purposes of Articles 1341 and 1342 of the Italian Civil Code, the Supplier expressly approves the following articles: 2. (Scope and conclusion of the Contract); 3. (Delivery of Products and/or execution of Services); 4. (Execution of Services at System Ceramics premises); 5. (Specific equipment and materials); 6. (Product Prices and Service Fees. Payment terms); 7. (Products and/or Service Acceptance and Warranty) 8. (Insurance); 9. (Confidentiality and Intellectual Property Rights; 11. (Termination of the Contract); 12. (Limitation of liability); 13. (Transfer of the Contract and Receivables) 15. (Compliance); 17. (Governing law and dispute resolution).

The Supplier

stamp and signature