

GENERAL TERMS AND CONDITIONS OF PURCHASE FIOCCHI MUNIZIONI S.P.A.

1. **Scope of Application**

1.1 The supply agreement for the supply of products (the "Products" or, individually, "Product") and/or of services (the "Services" or, individually "Service") entered into by the parties by means of the acceptance of the order by the Supplier is solely governed by the order, by any separate agreement executed from time to time and these general terms and conditions of purchase (the "Supply Agreement").

1.2 In case of any contradiction and/or inconsistency between the contractual documents governing the Supply Agreement, the provisions set forth in the following documents, with the following order of priority, shall prevail:

- a) the order;
- b) any separate agreement executed from time to time by the parties;
- c) these general terms and conditions of purchase.

1.3 The supplier (the "Supplier") waives the application of its own general and special terms and conditions of sale to the supply relationship.

2. **Completion Date of the Supply Agreement**

2.1 The Supply Agreement is binding between the parties from the date of receipt by Fiocchi Munizioni S.p.A. (the "Purchaser") of the written acceptance of the order duly undersigned by the Supplier.

2.2 In case the acceptance does not comply with the above requirements, the Supply Agreement shall not be valid and, therefore, the Purchaser may cancel the order.

2.3 When the Supplier fails to formally notify its acceptance of the order to the Purchaser, but performs the order, the Purchaser has the right to reject such performance.

3. **Prices**

The prices indicated in the order are fixed and cannot be modified. Any change of prices is valid and binding between the parties only if agreed in advance in writing.

4. **Technical Information and Intellectual Property Rights**

4.1 The drawings, specifications, technical standards and any other technical information and document, models, samples and specific equipment, provided or made available to the Supplier in connection with the performance of the Supply Agreement, are exclusive property of the Purchaser (the "Technical Information of the Purchaser"); the Technical Information of the Purchaser cannot be used by the Supplier for any purpose other than the performance of the Supply Agreement and shall be promptly returned to the Purchaser at its simple request and, in any case, by the expiry date of the Supply Agreement.

4.2 The Supplier undertakes not to copy nor to disclose the Technical Information of the Purchaser to any third party and warrants that it will adopt any appropriate measure with respect to its employees in order to ensure the confidentiality of said information.

4.3 Unless otherwise agreed in writing, the Supplier waives its intellectual property rights against the Purchaser in connection with Products or Services supplied to the Purchaser.

4.4 Unless the Products are manufactured and/or Services are supplied exclusively on the basis of know-how and specifications provided by the Purchaser, the Supplier warrants that the production, use, sale of the Products and the provision of Services in Italy or in other countries do not infringe any intellectual property right of any third party and, therefore, the Supplier undertakes to indemnify and hold the Purchaser harmless from any liability in connection with any infringements of intellectual property rights of any third party on the Products.

5. **Trademarks**

5.1 The Supplier, if so expressly requested in writing by the Purchaser, shall mark the Products and their packages with the trademarks and/or with any other distinctive sign from time to time indicated by the Purchaser (the "Trademarks"). The application of the Trademarks by the Supplier, as possibly indicated by the Purchaser, shall in any case not be intended as granting to the Supplier any license whatsoever or any other right in connection with their use. The Products marked in accordance with this Article shall be exclusively supplied to the Purchaser.

5.2 With reference to the Services, any use of the Purchaser's Trademarks by the Supplier shall be specifically agreed within the Supply Agreement and in any case shall not be allowed for any purpose other than that strictly necessary for the performance of the supply.

6. **Delivered Quantities**

6.1 The Supplier shall deliver the exact quantities of Products and/or perform the activities provided for the Services as indicated in the order placed by the Purchaser. The data resulting from the check performed by the Purchaser on delivered shipments of Products in the 15 days following delivery are final and binding.

6.2 Where the shipments of delivered Products exceed or are lower than the quantities indicated in the order, the Purchaser, at its discretion, shall have the right to:

- a) accept the delivered quantities and modify the following orders due to the quantitative differences ascertained upon delivery; or
- b) reject the exceeding quantities of Products, and, where the Supplier does not collect them immediately upon request of the Purchaser, return them to the Supplier, charging the same with any related cost or expense; or
- c) request the Supplier to deliver any lacking quantities at its expenses; or
- d) cancel the order, charging the Supplier with any costs and expenses related to the return of the Products already delivered.

7. **Delivery and Payment Terms. Transfer of Title**

7.1 Unless otherwise indicated in the order, deliveries shall be DDP Purchaser's plant or Purchaser's warehouse from time to time indicated in the order (INCOTERMS 2020). The transfer of title in favour of the Purchaser shall occur when the Product is made available to the Purchaser by the Supplier in accordance with the terms set forth in the Supply Agreement.

The Supplier shall fulfil the delivery terms and delivery schedules for Products and the performance and completion schedules of Services indicated in the order, in respect of which no late delivery

or variations that were not agreed in writing shall be accepted by the Purchaser. The Purchaser has the right to return every shipment received prior to the terms agreed in the order, at risks and expenses of the Supplier, or to charge the Supplier with the expenses incurred to store the Products from the date of early delivery up to the agreed term by issuing a debit note.

7.2 In case of delay in deliveries (including partial deliveries), of the Products or performance of activities under the Services, the Purchaser shall have the right to:

- a) request the Supplier to perform the order and pay a penalty equal to 1% of the price of each undelivered supply for every week of delay, up to a maximum period of 10 weeks, unless a different penalty is indicated in the order and without prejudice to the right of the Purchaser to be indemnified of all other costs and expenses incurred by the Purchaser resulting from delay, including any penalties that the Purchaser will have to pay to its clients;
- b) cancel the order giving simple written notice to the Supplier, without prejudice to the right of the Purchaser to be indemnified for any loss incurred by the Purchaser resulting from delay.

The Supplier shall bear any cost for extraordinary transport which the Supplier will make use of in order to comply with the delivery terms or to minimize the effect of any delay in deliveries of the Products.

7.3 The payments shall be made by the Purchaser within 120 days from date of invoice by means of bank transfer to the account indicated by the Supplier, without prejudice to any right of setoff provided under Article 16.

7.4 Without prejudice to any other rights under law or these general terms and conditions of purchase, the Purchaser shall be entitled to suspend payment of the amounts due if: (i) the performance of the Supply Agreement is incomplete, incorrect or not made in accordance with the agreed terms; or (ii) the Products or Services are found to be faulty or defective or lacking any agreed qualities of any kind.

8. Quality

8.1 The Supplier shall maintain, throughout the production phase of the Products or the supply of Services, quality standards adequate to the state of the art and in any case not below those required by the regulations applicable to its production and/or commercial activity. In the event that the applicable regulations require the obtaining of certifications attesting the quality of Products, Services and/or processes, the Supplier undertakes to provide the Purchaser with a copy of the same in force.

8.2 The Products delivered by the Supplier shall be in compliance with the specifications indicated in the orders by the Purchaser, or with those separately agreed with the latter (the "Specifications").

Where the Supplier is required to definitively or temporarily change any Specifications or the production process, the same shall obtain the prior written authorization from the Purchaser, indicating the reasons of such changes, and, in the event of temporary changes, their estimated duration and the quantities of Products affected by such change.

In the event the Supplier implements the aforesaid changes without the prior written authorization of the Purchaser, the Purchaser shall have the right to reject the deliveries of Products in breach of the Specifications, and, at its own discretion, to terminate the Supply Agreement pursuant to art. 1456 of Italian Civil Code, giving simple written notice to the Supplier.

8.3 The Supplier shall implement on the Products any changes which will be requested during the supply relationship with reasonable notice by the Purchaser by means of written notice to be followed by the placement of the relevant order.

In case of any request by the Purchaser made without reasonable prior notice, the Purchaser shall purchase the Products already manufactured by the Supplier for a quantity which, in any case, shall not exceed the quantity scheduled for delivery in the month in which the request for changes is made to the Supplier and for the immediately following month.

In such cases, the Supplier shall comply with the instructions received from the Purchaser in order to minimize the quantity of Products to be charged to the latter, and shall in any event allow the Purchaser to access its plant to inspect the Products on stock.

8.4 Unless otherwise agreed in writing a quality/compliance assurance certificate shall follow every shipment of Products.

Such certificate shall be undersigned by the quality department manager of the Supplier and shall provide the following information:

- issuance date;
- agreed specifications value;
- Product values upon testing;
- the Purchaser code and reference to the order number, where applicable;
- production unit of the Supplier;
- shipment number;
- delivered quantities (to be indicated alternatively in the delivery note);
- expiry dates for the use of Products (where applicable);
- a statement of the Supplier certifying compliance of the Products with the Specifications.

8.5 The Supplier shall deliver the Products packed in containers, which protect them from damages during their transport, handling and storage, in compliance with the Specifications and, in any case, in accordance with applicable national and international rules.

The containers of supplied Products shall indicate:

- name and trademark of the Supplier, unless otherwise requested by the Purchaser;
- name of the component and, where requested, part number of the Purchaser;
- shipment number and number of Products and/or weight;
- number of each container;
- manufacturing date and production unit of the Product;
- expiry dates for the use of Products (where applicable);
- packaging homologation, where required by relevant legislation;
- any further specific information upon request of the Purchaser.

8.6 Products shall be delivered along with all the documents necessary to their import, export or handling/transport within the national territory duly completed in accordance with the applicable regulations.

8.7 The Purchaser reserves the right to check each shipment supplied in order to verify compliance of the Products with the quality standards required by the Specifications.

9. Warranty of Quality of the Products and the Services

9.1 The Supplier represents and warrants that the Products and the Services:

- a) have been manufactured and delivered and/or performed in compliance with the Specifications and with the quality normative of the Purchaser provided under Article 8 above;

- b) comply with any law, regulation or administrative law applicable concerning the Products and the Services in the countries where they are manufactured and will be delivered or performed;
- c) are free from defects and are capable of granting the performances necessary for the safe and the proper functioning of the final products to which they will be applied.

The delivery and any payment do not limit the responsibility of the Supplier for the quality and the serviceability of the Products and the Services.

9.2 The warranties of the Supplier shall remain in force until the expiry of the warranty period provided by the law applicable to the Product or Service, unless a longer period has been agreed upon.

9.3 In case, during the above warranty period, the Products or the Services are found defective or not compliant with the terms agreed between the parties, the Purchaser, subject to prior notice in writing to the Supplier of their ascertained defects and without limitation to its right to other damages indemnification, shall have the right to:

- a) request the Supplier to collect and replace the defective Products at the latter's expense;
- b) request the removal of defects affecting the Services, at the Supplier's expense;
- c) return defective Products at the Supplier's expense without requesting their replacement and cancel the order to the extent it relates to the returned Products.

9.4 Under the circumstances provided under Article 9.3 above, in case the quantity of defective Products is material, the Supplier, upon request of the Purchaser, shall perform at its own expense trials of the Products until it proves to the Purchaser that the production process has returned under its control and until the Purchaser ascertains such circumstance providing written confirmation to the Supplier.

9.5 The compliance of supplied Products and Services with the Specifications, as well as their due working, statically and dynamically, shall be checked in compliance with the control procedures set out by the Purchaser in the order or notified separately to the Supplier.

9.6 Without prejudice to the obligations and responsibilities provided under the above paragraphs, the Supplier shall keep at its warehouses security stocks necessary to ensure the continuity of the supplies in accordance with the time schedules from time to time agreed with the Purchaser.

The Supplier may draw on the quantity of stocks above deemed necessary in case it forecasts any difficulty to comply with the delivery terms due to material impediments. In such case, the Supplier shall give immediate notice to the Purchaser indicating the relevant grounds thereof.

Security stocks shall be periodically restored and kept by the Supplier so as to consent in every moment their location and management. Where employed, the stocks shall be from time to time promptly replaced by the Supplier.

9.7 By giving 48 hours written notice, the Purchaser shall have the right to access the units of the Supplier to check and test at any time the quality of raw materials and the manufacturing and testing procedures applied to Products, as well as the condition of the security stocks. Therefore the Supplier shall allow the persons entrusted by the Purchaser to visit its units and perform the aforementioned audits and tests.

9.8 In the event that, even after the expiry of the warranty period, the Purchaser, due to its contractual obligations with its clients, has to

fund and/or take part in any recall campaign, service campaign or recovery interventions or any other interventions as a consequence of the defectiveness of Products (the "Preventive Actions"), the Supplier shall:

- a) deliver for free to the Purchaser the Products necessary to the latter to perform the Preventive Actions without suspending or delaying the planned deliveries of the supplies; and
- b) pay to the Purchaser all the costs and expenses incurred to perform the Preventive Actions; and
- c) cooperate at its expense with the Purchaser and its clients for the adoption of all the necessary technical and operational measures to perform the Preventive Actions.

10. Product Liability

10.1 In addition to any other provisions in these general terms and conditions of purchase, the Supplier represents and warrants that all the Products comply with any law, regulation or other rule applicable to those countries where the Products will be distributed by the Purchaser, including, but not limited to, any regulation for the protection of safety, environment, and health (the "Regulations").

10.2 The Supplier shall therefore hold the Purchaser harmless and indemnified against any claim from third parties relating to the indemnification of personal injury or property damage, as well against any sanction imposed by public authorities, arising out of the defectiveness of Products or of any non-compliance with the Regulations.

11. Force Majeure

11.1 In case the obligations provided by the Supply Agreement are not fulfilled or are delayed by the Supplier due to proven impossibility not attributable to the Supplier (the "Event of Force Majeure"), including any measure taken by any national or international authority, fire, flood, storm, explosions, riots, act of God, war, sabotage, shortages of power, materials, machineries or means of transport, new delivery terms of Products or performance terms of the Services shall be agreed with the Supplier, provided that the same has notified in writing without delay the Purchaser of the occurrence of the Event of Force Majeure and has implemented all the necessary actions to mitigate any relevant negative effects.

11.2 The Supplier shall not claim an Event of Force Majeure in case it has wilfully or negligently contributed to the occurrence of such event.

11.3 In case the Event of Force Majeure made the fulfilment of the obligations of the Supplier impossible for more than 30 days or, at the sole discretion of the Purchaser, is not compatible with its production needs, the latter may address the request of Products and Services to other suppliers, cancel the order and/or terminate the Supply Agreement by simple written notice to the Supplier.

12. Confidentiality

12.1 The Supplier shall treat as confidential all technical (including, without limitation, Technical Information of the Purchaser), commercial and any other information communicated or made accessible by the Purchaser in connection with the performance of the Supply Agreement (the "Confidential Information"). For the purpose of this Article 12, the information communicated or made accessible by the Purchaser shall not be considered Confidential Information in case the Supplier can prove by documentary evidence that such information:

- a) was already in its possession as of the date of disclosure; or

- b) was already in possession of the public as of the date of disclosure; or
- c) becomes available to the public after the date of disclosure other than through an act attributable to the fault of the Supplier or of any of the individuals indicated under Article 12.4; or
- d) was disclosed by a third party that did not breach any legal or contractual confidentiality obligation.

12.2 The Supplier shall keep strictly confidential and therefore shall not disclose said Confidential Information to any third party for all the term of the Supply Agreement and for 5 years after its termination or expiration for any reasons whatsoever.

12.3 Notwithstanding the contents of this Article, the Supplier may disclose the Confidential Information if the same is required to be disclosed by any regulatory body or court provided that the Supplier shall, without delay, give prompt notice to the Purchaser, so that it may object such injunction or seek an any appropriate protective order or other appropriate remedies to protect the confidentiality of said Confidential Information.

12.4 For all the term of the supply relationship, the Supplier shall preserve the Confidential Information and any other relevant document, authorizing its availability only to its personnel who needs such information in connection with the performance of the supply of the Products or the Services, and shall ensure and guarantee that said personnel will handle said Confidential Information in accordance with the confidentiality obligations set forth by this Article.

12.5 Upon the termination or expiration for any reason whatsoever of the Supply Agreement, or upon request of the Purchaser, the Supplier shall return to the Purchaser all the documents regarding Confidential Information duly preserved in compliance with Article 12.4.

13. Data Protection

The parties acknowledge and agree that, should they process, during the performance of the Supply Agreement, personal data of natural persons, as defined by article 4 of the European Regulation on the Protection of Personal Data No. 679/2016 ("GDPR"), they shall process such personal data in compliance with the current legislation on the protection of personal data, including both the GDPR and the national legislation implementing the GDPR such as the Italian Legislative Decree No 196/2003 as amended by Legislative Decree No 101/2018, as well as the regulatory and secondary legislation in force in the European Union, as subsequently amended or supplemented from time to time, including any guidance and measures issued by the Italian Data Protection Authority as well as by the European Data Protection Board.

14. Express Termination Clause

14.1 Pursuant to article 1456 of the Italian Civil Code, the Supply Agreement may be terminated by the Purchaser by means of simple written notice to the Supplier in case of breach by the Supplier of the following Articles: 4.1 (Technical Information and Intellectual Property Rights: limitation to the use of the Technical Information of the Purchaser), 4.2 (Technical Information and Intellectual Property Rights: confidentiality), 4.4 (Supplier's warranty for non-infringement); 5 (Trademarks); 8.1 (Quality System), 8.2 (compliance with Specifications), 8.4 (certification of Products), 8.5 (packaging of Products), 8.6 (deliveries' accompanying documents); 9.1 (Warranty of Quality), 9.4 (corrective measures), 9.6 (security stocks), 9.7 (access to units of the Supplier), 9.8 (Preventive Actions); 10.1 (Product Liability); 11.3 (Force Majeure); 12.2 (confidentiality obligations), 12.4 (Confidential Information's keeping and handling), 12.5 (return of the Confidential Information); 13 (Data protection); 17 (Assignment

of the agreement); 18 sub. b) (Compliance with the provisions of Legislative Decree No. 231 of 8 June 2001); and 18 sub. c) (Compliance with the provisions of the Code of Ethics).

14.2 Pursuant to article 1456 of the Italian Civil Code, the order may be cancelled by the Purchaser by means of simple written notice to the Supplier in case of breach by the Supplier of the provisions under the following Articles: 6.1 (Delivered Quantities); 7.1 (Delivery Terms); 9.1 (Warranty of Quality), 9.4 (corrective measures); 11.3 (Force Majeure).

15. Causes for Withdrawal

The Purchaser shall be entitled to withdraw from the Supply Agreement with no notice, by written statement:

- a) in the event of discontinuance or suspension of the Supplier's manufacturing operations; or
- b) if the Supplier's operations cease or materially change, as in the event of completion of any deal which concerns the transfer of the ownership of beneficial interest in a line of the business of the Supplier dedicated to performing the Supply Agreement; or
- c) in the event of changes in the shareholders of the Supplier capable of causing a change of control according to the provisions of article art. 2359 of the Italian Civil Code.

16. Offsetting

16.1 The Purchaser reserves the right to offset any sums payable by it to the Supplier against any amounts payable by the Supplier to the Purchaser generated by failures to perform the Supply Agreement or any other reason, by issuing the relevant credit note by the Supplier.

16.2 Notifying amounts debited and the subsequent formalization shall always be followed by the quality and logistic departments of the relevant plant of the Purchaser and any objection shall be addressed to them.

16.3 All amounts debited shall be regarded as tacitly accepted if, in the 3 days following their notification, no written objection is sent to the Purchaser.

17. Assignment of the Supply Agreement

Unless otherwise agreed in writing, the Supplier shall not assign the order and/or the Supply Agreement to third parties; unless otherwise agreed in writing, the Supplier shall assign the receivables arising from the Supply Agreement to third parties.

18. Compliance and Code of Ethics

The Supplier represents and warrants:

- a) that it shall perform the Supply Agreement in compliance with any and all laws, provisions and/or regulations applicable in the countries in which the Products and the Services are manufactured and/or to which they are destined and in particular that it shall not breach any applicable provisions on anti-corruption, on the protection of the environment, on the protection of personal information and privacy, on employee compensation, working times and conditions, on the protection of child labour, selection of subcontractors, safety on the workplace and motor vehicle safety; and
- b) that it shall perform the Supply Agreement in compliance with, as applicable, all the U.S. economic sanctions laws and regulation on the export or potential export of goods, including the mere exchange of strategic information, and that it is aware of and acknowledges that any violation of U.S. sanctions or export control laws may result in serious

penalties, up to and including criminal prosecution, regardless of the Governing Law; and

- c) that it is aware of and acknowledges the provisions of Italian Legislative Decree no. 231 of 8 June 2001, on criminal liability of corporate bodies ("Decree"), that it did not commit any of the offenses stated in the Decree and it undertakes to comply with the provisions of the Decree undertaking to base its conduct, in the performance of the Supply Agreement, on the principles of full disclosure, fairness and loyalty; and
- d) that it acknowledges that the Purchaser adopted the Code of Ethics containing, among other things, the principles of company ethics applied by the Purchaser and by the Purchaser's affiliates and/or subsidiaries (the "Code of Ethics"), available at <https://fiocchi.com/en/code-of-ethics> and to be aware of and to comply with Fiocchi's Organizational, Management and Control Model ex Legislative Decree 231/01 available at <https://fiocchi.com/en/231-model><https://fiocchi.com/it/codice-di-comportamento>, that it has full knowledge of such documents and that it shall comply with the provisions and principles contained in them.

title); 7.2 (Delivery and Payment Terms: penalty and cancellation of the order); 7.4 (Delivery and payment terms: suspension of payment in case of defects and/or non-conformities); Article 8.2 (Quality Normative of the Purchaser: express termination clause); Article 9.3 (Warranty of Quality of the Products and the Services: agreed warranty); Article 10.2 (Product liability: indemnity); Article 11.3 (Force Majeure: express termination clause); Articles 12.2 and 12.3 (Confidentiality: limitation to use of the Confidential Information); Article 13 (Data Protection); Article 14 (Express termination clause); Article 15 (withdrawal); Article 16.3 (Offsetting: acceptance of charges); Article 17 (Assignment of the Supply Agreement: limitation to contractual freedom in relations with third parties); Article 18 (Compliance with the provisions of the Code of Ethics); Article 19 (Governing Law); and Article 20 (Competent Court).

The Supplier

Signature: _____

19. Governing Law

These general terms and conditions are governed by Italian law.

In the event of any conflict or inconsistency between the Italian version and the English version of this document, the Italian version shall prevail.

21. Competent Court

Without prejudice to the right of the Purchaser to convene the Supplier before any competent Court in accordance with the rules stated by the Italian Code of Civil Procedure, any dispute shall be submitted to the exclusive jurisdiction of the Tribunal of Lecco.

Place: _____

Date: _____

The Supplier

Company Name: _____

Registered Office: _____

VAT Number: _____

Represented by:

Name Surname: _____

Title: _____

Signature: _____

Specific Approval

The Supplier, pursuant to Articles 1341 and 1342 of the Italian Civil Code, specifically agrees with the following clauses: Article 2.3 (Completion Date of the Supply Agreement: rejection of the performance of the order); Article 4.1 (Technical Information and Intellectual Property Rights: limitation to the use of the Technical Information of the Purchaser), 4.2 (Technical Information and Intellectual Property Rights: confidentiality), 4.3 (Technical Information and Intellectual Property Rights: patent rights), 4.4 (no infringement of industrial property rights and indemnity); Article 6.2 b) (Delivered Quantities: charging of the return costs); Article 7.1 (Transfer of