

Products in the presence of Morandi's personnel. The Parties agree that should Morandi discover any defects or faults in the Products, Morandi shall have the right to:

- i. obtain, at the Supplier's expense and risk, the immediate replacement of the defective Products;
- ii. reject, at the Supplier's expense and risk, the defective Products;
- iii. require the Supplier, at its own expense, to remedy the defects or faults in the Products within 15 (fifteen) days from the date of notification. Upon expiry of this period, Morandi may, without prejudice to any further remedy, undertake directly to rectify such defects or faults. Should Morandi proceed directly with rectification, the Supplier undertakes to indemnify and hold Morandi harmless from any expense, burden, or prejudice, without prejudice to the right to claim damages.

The exercise of the aforementioned rights under subparagraphs (i), (ii), (iii) must occur within 60 (sixty) days from the date of notification. For all defects or faults relating to the Products, Morandi reserves the right to claim compensation for all damages suffered from the Supplier. It is understood that Morandi may offset any sums owed to it by the Supplier due to the aforementioned defects or faults against any sums owed by Morandi to the Supplier for any reason, deducting the amount from the Supplier's overdue invoices.

The Supplier undertakes not to market and to scrap any defective or non-compliant Parts returned by Morandi for which the recovery for Morandi with additional processing has not been agreed upon, reserving to Morandi every right of inspection and control to verify compliance with this obligation. Subject to agreement with the Supplier on the respective implementation modalities, Morandi may directly proceed with the aforementioned scrapping on behalf and at the expense of the Supplier.

Furthermore, the Supplier warrants that the manufacturing, utilization, and commercialization of the supplied Products do not infringe upon any intellectual property rights of third parties, either domestically or internationally. The Supplier assumes responsibility for promptly addressing any claims from third parties and indemnifies Morandi against such claims. Additionally, the Supplier undertakes to

indemnify Morandi against any legal actions aimed at restricting the lawful production, sale, or circulation of Morandi's products.

In the event of Morandi being subject to legal proceedings due to civil liability (including "*product liability*") or contractual breaches, or in case of alleged violations of legal provisions (such as *safety regulations*, *environmental standards*, etc.) resulting from the defects, non-conformities, or lack of reliability of the Products, the Supplier shall indemnify Morandi. Additionally, the Supplier shall undertake, at its own expense, prior to the conclusion of the Supply Contract and throughout the duration thereof, to maintain operational an insurance policy in favour of third parties (covering all risks and providing worldwide coverage), ensuring both parties against damages suffered by persons and/or property directly or indirectly linked to the Products, their manufacture, and distribution, both during and after the termination of the present agreement. Alternatively, the Supplier may opt to include Morandi as an insured/protected party in the insurance policy (covering all risks), provided that said policy meets Morandi's approval. The insurance policy must explicitly name Morandi as the "insured party" and stipulate that the insurance cannot be terminated without written notice to Morandi at least 60 days prior to the effective cancellation date. Furthermore, the policy must encompass the Supplier's liability. The Supplier commits to maintaining the insurance policy valid and effective throughout the entirety of the Supply and for an additional three years following its conclusion, for any reason, with an appropriate limit of liability for third-party claims.

7. JURISDICTION, APPLICABLE LAW, COMPETENT COURT

The agreement between the Parties shall be governed by and construed in accordance with Italian law, with the Italian language prevailing. Any dispute arising out of or in connection with this agreement shall be exclusively submitted to the jurisdiction of the Court of Brescia, to the exclusion of any other court, even if concurrent.

8. EFFECTIVE DATE

These General Terms and Conditions shall be applicable to all contractual relations established between