

Index

Purchasing Conditions	3
1. PREMISES AND COMPLIANCE WITH THE LAW	3
2. PLANNING, ORDERS AND ORDERS BECOMING BINDING	4
3. TECHNICAL INFORMATION AND EQUIPMENT	5
4. QUALITY, CERTIFICATION AND DOCUMENTATION	6
5. MATERIALS, SUBSTANCES USED AND HAZARDOUS SUBSTANCES	6
6. STOCKS.....	7
7. CHANGES AND SUSPENSION.....	8
8. TRANSFER OF RISK.....	9
9. PACKAGING, SHIPPING AND DELIVERY	9
10. DELAYS AND PENALTIES	10
11. ACCEPTANCE AND DEFECTS	10
12. PRICES	11
13. INVOICING, DELIVERY NOTES, PAYMENT AND OFFSETS	11
14. WARRANTY	12
15. RECALL CAMPAIGNS.....	14
16. INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS	14
17. INDEMNITY AND INSURANCE	15
18. WITHDRAWAL AND TERMINATION.....	16
19. CONFIDENTIALITY	17
20. SUBCONTRACTS – ASSIGNMENT – NO ASSIGNMENT OF ACCOUNTS RECEIVABLE	17
21. MISCELLANEOUS.....	18
22. ADMINISTRATIVE LIABILITY.....	19
23. GOVERNING LAW AND DISPUTES	20

24. CODE OF CONDUCT21

Purchasing Conditions

GENERAL TERMS AND CONDITIONS OF PURCHASE

1. PREMISES AND COMPLIANCE WITH THE LAW

1.1 SumiRiko Italy S.p.A. (“SumiRiko”) operates in the sector of the automotive industry, in particular in the design, development and production of subsystems and components for engines and applications platforms.

1.2 It is **SumiRiko’s** main interest to ensure that its products have highly competitive levels of safety, quality, reliability, technical updating, service and costs.

1.3 These general terms and conditions (the “**Terms and Conditions**”) shall apply to all orders for goods, services and/or work provided to **SumiRiko** by suppliers (individually the “**Supplier**” and jointly the “**Suppliers**”) independently of the classification of the relationship (sale, supply, sub-supply, service agreement, etc.).

1.4 Any particular terms and conditions also by way of exception to the Terms and Conditions, shall be expressly approved in writing within the context of an order or by a separate letter.

1.5 Supplier warrants that it is able to contribute to the achievement of this essential interest of **SumiRiko** and undertakes to respect in full all the laws and regulations applicable in the performance of the obligations undertaken under the Terms and Conditions. In particular, Supplier shall respect strictly all the provisions on the following matters: (i) health and safety at work, (ii) environment, (iii) packaging and shipping of goods (above all when they contain hazardous substances), (iv) quality, (v) taxes and social contributions, (vi) labor law and national and/or local collective bargaining agreements, (vii) criminal liability of entities.

1.6 Supplier represents that it has all the necessary experience and the human and financial resources adequate to assure the performance of the obligations undertaken in relation to the supply of goods, services and/or work under the Terms and Conditions. In

particular, Supplier shall manufacture the goods and render the services in a prompt and professional way and respecting the highest standards of its sector.

1.7 Supplier shall at all times comply in full with the guidelines and instructions of **SumiRiko** provided in compliance with the Terms and Conditions.

2. PLANNING, ORDERS AND ORDERS BECOMING BINDING

2.1 Normally **SumiRiko** shall provide to Supplier a delivery plan binding in the short term (according to what is indicated in the orders) and indicative of purchase forecasts in the medium and long term. The duration of the production and delivery plans shall depend upon the lifespan of each production project for **SumiRiko's** customers.

2.2 An order shall be considered binding when acceptance is received in writing (confirmation) from Supplier. If such acceptance does not arrive within 15 (fifteen) days of the date of the order, **SumiRiko** shall have the option to consider the order revoked, but not without first having given notice thereof to Supplier.

2.3 Orders and acceptance shall normally be in writing. Email messages and faxes shall be considered equivalent to written documents for all effects.

2.4 If the terms and conditions contained in the confirmation differ from those of the order the agreement shall be considered binding when one of the parties receives from the other full and final express acceptance of the contract terms and conditions.

2.5 The order shall be considered as binding even by the simple commencement of performance by Supplier, so long as such performance does not occur after any revocation of the order by **SumiRiko**. In such case Supplier shall be considered as having accepted the Terms and Conditions and all the terms and conditions contained in **SumiRiko's** order.

SumiRiko shall accept only the quantities ordered. Any tolerance as to the quantity must in any event be agreed expressly.

3. TECHNICAL INFORMATION AND EQUIPMENT

3.1 The drawings, specifications, rules and tables, models and samples and any other technical documentation ("**SumiRiko Technical Information**") as well as the molds, equipment and machinery entrusted by **SumiRiko** to Supplier or made by Supplier on behalf and to the order of **SumiRiko** ("**SumiRiko Equipment**"), shall remain the property of **SumiRiko** and may be used only for the performance of the supply. Supplier shall identify clearly (for example through the affixing of marks or metal labels) the ownership of the **SumiRiko** Equipment. **SumiRiko** reserves the right to withdraw the **SumiRiko** Technical Information and/or e/o the **SumiRiko** Equipment at any time.

3.2 Supplier cannot copy or reproduce the **SumiRiko** Technical Information and/or the **SumiRiko** Equipment or assign it or allow third parties to use it without the prior written authorization of **SumiRiko**. This obligation shall apply also when the equipment used for the supply is owned by Supplier.

3.3 Supplier recognizes that the manufacture and sale of products on the basis of the **SumiRiko** Technical Information and/or using the **SumiRiko** Equipment, both for production purposes and for spare parts or for any use outside the contractual dealings with **SumiRiko**, shall constitute a serious breach of the Terms and Conditions, even when there is no reference to the name, trademarks, or distinctive marks of **SumiRiko**.

3.4 Supplier shall use the **SumiRiko** Equipment with the utmost care and diligence, shall take the measures necessary for its correct preservation and shall, at its own expense carry out the ordinary maintenance including repairs due to normal wear and tear. Should the models and/or the equipment used for the supply be owned by Supplier, it shall, at its own expense, carry out the ordinary and extraordinary maintenance to it, shall restore it (if necessary), as well as preserve it until **SumiRiko** authorizes it scrapping.

3.5 Supplier undertakes to insure the **SumiRiko** Equipment against the risks of fire and theft and for the relative civil liability for an adequate maximum insured amount.

3.6 Supplier shall report to **SumiRiko**, the extra repairs and replacements which may be necessary in relation to the **SumiRiko** Equipment. Should they not be attributable to

negligence or damages caused by Supplier, the relative expense shall be borne by **SumiRiko**, unless otherwise agreed.

4. QUALITY, CERTIFICATION AND DOCUMENTATION

4.1 Supplier undertakes to do everything necessary to guarantee the quality of the goods supplied and their conformity with **SumiRiko's** order, **SumiRiko's** Quality Manual and any other contract document that shall contain also all the characteristics of the goods.

4.2 Supplier shall communicate to a **SumiRiko** the existence of any certifications (for example, ISO 9001, ISO 14.001, ISO 16949, OHSAS 18.001) and undertakes to keep such certifications in being for the entire term of the relationship, it being agreed that if they are not renewed or if they are cancelled this would constitute a serious breach by Supplier and will entitle **SumiRiko** to terminate the relationship with immediate effect.

4.3 Supplier shall, before starting deliveries, carry out the tests and controls agreed or prescribed and the further tests or controls which may become necessary in order to assure, verify and certify the conformity of the goods to what has been agreed.

4.4 Supplier shall allow at any time the access by **SumiRiko** or by its representatives to the place where the goods are being manufactured, assembled, installed and/or stored and shall provide all necessary assistance in relation to accesses and inspections on the matter of the quality of the goods.

5. MATERIALS, SUBSTANCES USED AND HAZARDOUS SUBSTANCES

5.1 The materials used by Supplier must always be first choice ones, of the best possible quality and free from any defect.

5.2 The materials supplied to **SumiRiko**, must be in compliance with what is laid down in **SumiRiko's** quality documentation and, in particular in the "General supply provisions NRI 20.2 F", as concerns the technical and quality aspects of the goods supplied.

5.3 If the materials are supplied by **SumiRiko**, Supplier shall test them and insure them against the risks of fire and theft.

5.4 Supplier acknowledges that **SumiRiko** complies with the applicable legislation concerning the registration, assessment, authorization and restriction of chemical substances (EU regulation no.1907/2006 and subsequent amendments and supplements – REACH Regulation) and undertakes to communicate to **SumiRiko** all the information relating to the substances used in the production of the goods being supplied and the relative quantities. Supplier shall promptly update **SumiRiko** in the event of any change after such communication.

5.5 Supplier acknowledges that **SumiRiko** respects US legislation (Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010 and any subsequent amendments and supplements) on minerals originating from conflict areas (so-called *conflict minerals* such as gold, tungsten, tin, tantalum etc.) and undertakes to cooperate with **SumiRiko** in relation to these matters, allowing accesses and audits and providing all the documentation which may be requested by **SumiRiko**, also with regard to any sub- suppliers.

5.6 Supplier shall mark the goods are being supplied containing hazardous substances with the applicable hazard symbols. The shipping documents for these goods shall include a hazard declaration, shall indicate the name of the hazardous material and shall be accompanied by the information on the conduct to be adopted in the event of emergencies. Supplier shall communicate promptly to **SumiRiko** all available information relative to potential and actual hazards during handling and use of the goods containing hazardous substances.

6. STOCKS

6.1 Supplier shall keep at its warehouses the stocks of goods necessary to assure continuity of the procurement according to plans that shall be agreed with **SumiRiko**.

6.2 Should Supplier, due to serious objective obstacles, expect that it will not manage to comply with the delivery plans, it shall give immediate notice thereof to **SumiRiko**, which may authorize Supplier to make the necessary withdrawals from the stored safety stock. Supplier will promptly restock the safety stock as soon as the contingent situation is no longer in existence.

6.3 **SumiRiko** is entitled to check, at any time, through its representatives, the amount of the stock and the quality of the conditions of storage/preservation. Should it discover a quantity of stock that is lower than what has been declared by Supplier, **SumiRiko** may decide, from time to time, on the appropriate actions to be taken, also of an economic nature, against Supplier to guarantee the performance of the commitments undertaken as well as to limit the damages which could be caused to **SumiRiko**.

6.4 Upon agreement with Supplier, **SumiRiko** may store the safety stock at its own plants and/or warehouses. In this case the goods shall remain Supplier's property, and Supplier must bear the relative operating costs, including those for insurance. The goods may become the property of **SumiRiko** upon written communication to Supplier that they have been withdrawn, without prejudice to Supplier's right to check the quantity of goods stored.

7. CHANGES AND SUSPENSION

7.1 **SumiRiko** shall be entitled to ask for modifications with respect to the quantity, the object of the supply and/or the nature of the goods and/or services. **SumiRiko** shall also be entitled to request changes to designs, projects, models, instructions, specifications etc. concerning the supply by the Supplier.

7.2 Should in Supplier's opinion any modification requested by **SumiRiko** influence the agreed price and/or delivery terms, Supplier shall promptly give notice thereof in writing to **SumiRiko** by and no later than 8 (eight) days after receipt of the notice of requested modification.

7.3 Should in **SumiRiko's** opinion, the impact on the price and/or on the delivery terms not be reasonable in relation to the purpose and nature of the modification, **SumiRiko** shall be entitled to cancel the order by written notice to Supplier. Cancellations made on the basis of this clause do not authorize Supplier to claim compensation for damages or other amounts for any title or cause. The parties shall negotiate in good faith, from time to time, to contain as far as possible the expenses arising from the non-use of the modified or cancelled goods.

7.4 Supplier shall not be entitled to make any modifications relative to the quantity, object of the supply and/or nature of the goods and/or the services without the prior written approval of **SumiRiko**.

8. TRANSFER OF RISK

The goods supplied are to be considered as always delivered to the premises of **SumiRiko** set forth in the order, even if the shipping expenses are at the charge of **SumiRiko**.

9. PACKAGING, SHIPPING AND DELIVERY

9.1 The goods will be packed and marked correctly as required for shipping, destination and unloading and/or as indicated in the order. Every item of goods shall be correctly numbered, labelled and positioned according to best practice.

9.2 Supplier shall propose to **SumiRiko**, for its approval, the type of packaging using the forms drawn up by **SumiRiko** (packing list).

9.3 The delivery terms, to be established by mutual agreement with Supplier, are indicated in the order and must be strictly observed, except in the events of force majeure. Therefore as well as delays also advance deliveries with respect to the planned deliveries are to be excluded, unless otherwise agreed expressly.

9.4 Delivery shall include also the providing of all the documents relative to the order, such as drawings, quality certificates (as well as all the documentation necessary regarding the materials used and their ability to guarantee the required quality standards), certificates of origin, certificates of inspection, guarantees, instructions and maintenance manuals and any other document indicated by **SumiRiko** in the Terms and Conditions, in the order, in any other contract document as well as in the procedures applicable to the supply. In particular, the certificate of origin shall be provided to **SumiRiko** in the sampling phase.

10. DELAYS AND PENALTIES

10.1 The delivery term shall be extended when events of force majeure arise independent of the wish of Supplier that prevent the due performance of the order. Events of force majeure shall include, but not limited to, act of God.

10.2 In any event Supplier shall notify **SumiRiko** immediately in writing of the arising and ceasing of events of force majeure and shall take all steps in order to limit their effects.

10.3 **SumiRiko** may apply a penalty of 1% of the value of the goods not delivered for each full week of delay, up to a maximum of 5% of the total value of the order, without prejudice to compensation for higher damages suffered.

10.4 Should the delay exceed 25 working days, **SumiRiko**, always without prejudice to the right to compensation for higher damages suffered, may at its choice (i) continue to apply the penalty within the maximum of 5% of the total value of the order; or (ii) terminate the order by simple written notice; and (iii) procure the goods being supplied elsewhere and at any time at the risk and danger of Supplier, even outside the provisions of arts. 1515 and 1516 of the Civil Code.

11. ACCEPTANCE AND DEFECTS

11.1 The simple delivery of the goods ordered does not mean acceptance by **SumiRiko**, as verification of their conditions, quantity and quality shall be carried out exclusively by the officers of **SumiRiko** in charge of controls.

11.2 After having been so authorized by **SumiRiko**, Supplier may send its personnel to the plants of **SumiRiko** to examine the equipment and procedures used in the testing.

11.3 Notification of faults and/or defects in the goods delivered may be made by **SumiRiko** within nine months of receipt of the goods. However, if the faults and/or defects were detected at **SumiRiko** customers, the notification may be made within 12 (twelve) months of receipt of the goods with the application of the warranty clause. **SumiRiko** shall be

entitled to notify any concealed fault within 12 (twelve) months of discovery whether it was made at **SumiRiko** or at **SumiRiko** customers.

11.4 In the presence of any discards or non-conforming goods **SumiRiko** may: (i) recover the defective goods with additional processing to be paid by Supplier, on the basis of agreements reached from time to time; or (ii) ask for the replacement of the discards or of the entire batch of goods; or (iii) refuse the discards of the entire batch of which the goods are part without asking for their replacement, when the replacement batch can no longer be used by **SumiRiko**, in any event (iv) debit Supplier with the costs of selection of the nonconforming batches and the fixed overheads for the nonconforming components.

11.5 The rights of **SumiRiko** described herein may be exercised even if the goods have already been put into processing and the relative Supplier invoices have already been paid.

11.6 If the materials are supplied by **SumiRiko**: (i) no amount shall be recognized to Supplier for the processing performed on the goods which have to be discarded for any reason; (ii) the goods which cannot be used due to faults in processing contested by **SumiRiko** are discarded; and (iii) if provided under toll manufacturing, the material shall be debited to Supplier after having deducted the value of any materials that can be recovered.

12. PRICES

Unless otherwise indicated in the order or unless otherwise agreed between the parties, (i) the prices agreed in accordance with the Terms and Conditions shall be fixed and not subject to any review, and (ii) the prices shall include packaging and shipping, will not include VAT and/or any other tax or contribution applicable (but they will include customs duties) and shall be based upon the delivery terms agreed between the parties.

13. INVOICING, DELIVERY NOTES, PAYMENT AND OFFSETS

13.1 Invoices must relate to the goods and/or services of one order only, subject to the same VAT rate.

13.2 In addition to all the information compulsory by law, invoices must specify (i) the order number and the number of the relative delivery notes and (ii) a list of the goods following the progression of the delivery notes.

13.3 The goods must be accompanied always by delivery notes – in the number of copies required by **SumiRiko** – containing the following information: supplier's name, identification number / drawing or symbol of **SumiRiko**, name of goods, date of shipment, order number, warehouse number, and quantity for each delivery, number of packages delivered and any other information expressly required in the order. Each delivery note must contemplate the goods of one order only.

13.4 **SumiRiko** shall make payment, in the agreed way and on the due dates, exclusively by bank direct remittance into the current account registered in Supplier's name and opened at a bank of the same country as Supplier, subject to the receipt of a statement of account of the invoices issued, separately for each due date. This statement of account must reach **SumiRiko** 30 (thirty) days before the due date.

13.5 Supplier is expressly prohibited from issuing drafts for the payment of the supplies. If drafts are issued they will not be withdrawn and Supplier shall be held liable for all the consequent damages.

13.6 **SumiRiko** shall be entitled to offset any amount due to Supplier against any other amount due from Supplier to **SumiRiko** by simple written notice.

14. WARRANTY

14.1 Supplier confirms, certifies and warrants that the goods and/or services (as the case may be): **(a)** respect the specifications indicated in the order, **(b)** have the agreed characteristics, **(c)** are free from defects in materials and in workmanship / have been made in a state-of-the-art way, **(d)** are free from encumbrances and any third party right, **(e)** are fit for the intended purpose and/or purpose required by **SumiRiko**, **(f)** duly respect all applicable laws and regulations, including those on quality, health and safety and the environment and reflect the requirements of best practices in the sector, **(g)** have all certifications and approvals and

are fully in compliance with the regulations applicable to products within the European Union, including CE labelling regulations.

14.2 Should **SumiRiko** discover “non-conformities”, it shall give prompt written notice thereof to Supplier and the risk relative to the refused goods shall be transferred from **SumiRiko** to Supplier. Supplier shall pay the shipping costs for the refused goods.

14.3 Should it be Supplier that has discovered “non-conformities” with respect to the technical specifications indicated in the order, it shall promptly provide the following information in writing to **SumiRiko**: design number or code and name of the goods, type of discrepancy of the characteristic with respect to the specification, quantity of goods involved and period of supply affected and shall request the approval of **SumiRiko**. Only after such approval by **SumiRiko**, can Supplier deliver the goods.

14.4 Unless otherwise agreed in the order, Supplier shall warrant the goods, including therein any relative material and component, for a period of 1 (one) year starting from the date of delivery to **SumiRiko** in the event of the supply of perfectly installed and functioning machinery or 2 (two) years in any other case. At the request of **SumiRiko**, Supplier shall carry out promptly, at its own expense, all the necessary modifications and repairs to or replacements of the goods in the event of malfunctions or defects during the warranty period. The warranty period shall extend for the entire period when the goods cannot be used due to modifications, repairs or replacements made by Supplier.

14.5 Supplier shall obtain the same warranty terms and conditions from sub-suppliers as the warranty granted to **SumiRiko**.

14.6 Modifications, repairs or replacements made by Supplier in accordance with the warranty do not exclude indemnification of **SumiRiko** for any further damage suffered as a result of breach by Supplier.

14.7 At the request of **SumiRiko**, Supplier shall join any legal proceedings commenced against **SumiRiko** for breach of warranty or other cause, asking the Court to exclude **SumiRiko** from the proceedings. Supplier shall indemnify and hold **SumiRiko** harmless against all relative costs and expenses.

14.8 In any event, Supplier shall supply to **SumiRiko** the spare parts, in the quantities and in the time necessary to satisfy the requirements of **SumiRiko** customers and shall allow **SumiRiko** to provide an adequate after sales assistance service.

14.9 In the case of end of production of the goods supplied, Supplier shall agree in advance with **SumiRiko** possible special deliveries and/or a stock plan for after sales assistance and undertakes to supply spare parts for a period of not less than 10 (ten) years after stoppage of mass production at the final customer.

14.10 Supplier supply the spare parts to **SumiRiko** with a production and quality level at least equivalent to that provided for normal production.

15. RECALL CAMPAIGNS

Should at any time, **SumiRiko** or a **SumiRiko** customer decide on a recall campaign for its products to replace or repair a part attributable to the goods being supplied, because they are affected by a defect capable of prejudicing the safety of the final products or their conformity with legislation, as well as the quality of the same products, Supplier shall be bound to: (i) deliver to **SumiRiko**, with the utmost urgency, without suspending or delaying the delivery plans for ordinary supplies, at its own expense and without any additional charge to **SumiRiko**, the goods necessary to carry out the recall campaign; and (ii) reimburse to **SumiRiko** the cost of the operations necessary to replace and/or repair the goods and to identify the goods affected by the recall campaign as well as any other cost necessary to carry out the recall campaign incurred by **SumiRiko** or debited to the same by its customers.

16. INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS

16.1 Supplier warrants that all the uses, including the resale of the goods supplied and/or of the further materials purchased or manufactured for **SumiRiko**, will not breach in any way the rights relative to trademarks, patents, models or other industrial and/or intellectual property right of any third party.

16.2 Supplier shall be the sole and exclusive party responsible for the damages caused by third-party actions that attempt to enjoin and/or limit the marketing and the sale of the goods and/or modify their terms and conditions of sale.

16.3 **SumiRiko** reserves all industrial and/or intellectual property rights arising and/or resulting from the performance of any contractual relationship with Suppliers, their directors, personnel, agents and/or third parties involved in the performance of the orders.

16.4 At the request of **SumiRiko**, Supplier shall cooperate in the formalities necessary to establish and/or confirm all the industrial and/or intellectual rights arising and/or resulting from any contractual relationship to the benefit of **SumiRiko**.

16.5 Supplier shall use all the industrial and/or intellectual property rights of **SumiRiko**, including any know-how, exclusively for the purposes of the performing the orders.

16.6 Supplier shall hold **SumiRiko** harmless and indemnified in the event of any claim based upon the breach of any industrial and/or intellectual property right of third parties arising from and/or in any way connected with the performance of an order.

17. INDEMNITY AND INSURANCE

17.1 Supplier shall be liable towards **SumiRiko**, **SumiRiko**'s customers and any third party and shall indemnify and hold **SumiRiko** harmless against any loss, damage, cost and expense of any nature (whether in the case of direct or indirect damages), arising from the breach by Supplier of its obligations arising from the order or from the performance of an illegal act. Supplier shall be liable for the consequences of its breaches even if attributable to its employees, managers, directors, agents, subcontractors and/or suppliers.

17.2 On request, Supplier shall fully and promptly indemnify **SumiRiko** in the event of actions for compensation for damages taken by customers or by third parties and in any way relative to liability for defective products. Supplier shall negotiate in good faith settlement agreements with these third parties or shall defend in the aforementioned actions before the competent Court separately or jointly with **SumiRiko**, at the latter's discretion.

17.3 Supplier shall keep in place an insurance coverage in line with the applicable laws and normal practice in the area in which it operates (in particular against the risk of product liability) with an adequate maximum insured amount, in any event not lower than that which may be indicated in the order. On request Supplier shall deliver to **SumiRiko** a copy of the policy, proof of payment of the relative premium and the documentation relative to each claim

18. WITHDRAWAL AND TERMINATION

18.1 **SumiRiko** shall be entitled to withdraw from the order by written notice to Supplier should (i) Supplier not be able to fulfil the commitments undertaken due to reasons other than breach of contract; (ii) Supplier be in liquidation or have filed an application for bankruptcy, composition among creditors or any other similar procedure; (iii) the shareholders and/or the management of Supplier have changed; (iv) **SumiRiko** has proposed modifications to the order which have not been accepted by Supplier.

18.2 No compensation shall be due to Supplier in the event of withdrawal by **SumiRiko** except for the payment of the work carried out to be established taking account of the interests of **SumiRiko**.

18.3 **SumiRiko** shall be entitled to terminate the contractual relationship with Supplier should Supplier be in breach of any of the terms and conditions set out herein and not remedy such situation within 15 days of receipt of a notice to such effect from **SumiRiko**.

18.4 In addition to all cases of termination contained in other clauses of the Terms and Conditions, **SumiRiko** shall have the right to terminate the contractual relationship with immediate effect in the event of breach by Supplier of any of the following clauses: **1** (breach of labor law as well as environmental, health and safety at work legislation), **3** (breach of the obligations on **SumiRiko** Technical Information and **SumiRiko** Equipment), **4** (cancellation or non-renewal of certifications by Supplier), **5** (absence of qualities of materials – breach of the provisions on hazardous substances), **6** (non-maintaining of planned stock), **9** (delivery delays), **10** (non-payment of penalty), **14** (breach of warranty), **16** (breach of intellectual or industrial property rights of **SumiRiko** or of third parties), **17** (breach of obligations assumed in the matter of product liability), **19** (breach of confidentiality undertaking), **20** (assignment or

subcontracting without the prior consent of **SumiRiko**), **22** (breach of the obligations on administrative liability).

18.5 Without prejudice to the above, **SumiRiko** reserves the right to cancel an order to Supplier in whole or in part. In such case Supplier shall be compensated exclusively for the expenses directly incurred until the date of communication of the cancellation.

18.6 In all cases of withdrawal or termination of the contractual relationship with Supplier, (a) **SumiRiko** shall be entitled to obtain possession of the goods and the relative technical documentation in order to complete the supply directly or through an alternative supplier, and (b) **SumiRiko** may claim for compensation for damages suffered, including consequential damages and loss of profit.

19. CONFIDENTIALITY

19.1 Supplier undertakes to keep strictly confidential with respect to third parties all information coming from **SumiRiko** that it has become aware of in performing the supply of goods or services in accordance with the Terms and Conditions.

19.2 Supplier shall use such information exclusively for the performance of orders, in no case may it duplicate it and Supplier shall make it available to any third party (for example quality inspectors) only after having obtained the prior written approval of **SumiRiko**.

19.3 Supplier acknowledges that all the information provided by **SumiRiko** in relation to or in connection with any order for goods or services in accordance with the Terms and Conditions shall remain the property of **SumiRiko** and undertakes to return it promptly to **SumiRiko** at its own expense and upon simple request.

20. SUBCONTRACTS – ASSIGNMENT – NO ASSIGNMENT OF ACCOUNTS RECEIVABLE

20.1 Supplier undertakes to perform directly and personally all the obligations undertaken on the basis of an order from **SumiRiko**. The prior written consent of **SumiRiko** shall be necessary for any form of assignment and/or subcontracting of the obligations undertaken by

Supplier. When **SumiRiko** expresses its consent, Supplier undertakes to enter into with sub-supplier an agreement upon terms and conditions substantially identical to the Terms and Conditions and shall exercise, also on behalf of **SumiRiko**, or on request shall assign to **SumiRiko**, all the rights arising from the agreement with the sub-supplier.

20.2 In no case may the order from **SumiRiko** be considered assignable by Supplier, while **SumiRiko** may assign the contractual relationship to any other company (for example to its parent company or to a subsidiary company) by simple written notice to Supplier. The transfer of control of the majority of the share capital, change in control of the management of Supplier and/or the sale of a branch of business shall be considered “assignments” for the purposes of this clause.

20.3 The accounts receivable arising from the contractual relationships governed by the Terms and Conditions cannot be assigned or delegated in any form, without the prior written consent of **SumiRiko**. All Supplier's invoices shall clearly indicate that the relative receivables cannot be assigned and **SumiRiko** shall be entitled to suspend payment of any invoice that does not bear such wording.

21. MISCELLANEOUS

21.1 The parties shall address all notices relative to a supply of goods or services to the address, fax number and/or email address indicated in the contract documents (order, acceptance etc.) or on their respective websites. If such information is missing, all notices may be addressed to the respective registered offices. Notices may be given in Italian and/or in English. Any change in address must be previously communicated in writing to the other party.

21.2 Supplier undertakes to communicate to **SumiRiko** the name of the person(s) instructed to keep contacts with **SumiRiko** in relation to the supplies, informing **SumiRiko** in advance of any change.

21.3 The non-exercising by a party of one or more rights provided in its favor in the Terms and Conditions can in no way be construed as a waiver to the same rights.

21.4 Should any clause of these Terms and Conditions be declared invalid or unenforceable this shall not affect the validity of all the other clauses. Should a clause not be valid, **SumiRiko** and Supplier shall negotiate in good faith a new clause that is valid and effective, having substantially the same effect as the null and void or unenforceable clause.

21.5 Supplier undertakes not to use its relationship with **SumiRiko** for advertising or promotional purposes without the prior written authorization of **SumiRiko**.

21.6 Upon acceptance of the Terms and Conditions, each party shall give to the other consent to the processing, dedication and dissemination of its data, declaring that it has been adequately informed by the other party of the purposes of the processing and of the rights under the applicable law.

22. ADMINISTRATIVE LIABILITY

(Legislative Decree No. 231/2001)

22.1 Supplier declares that it knows the provisions of Legislative Decree no. 231 of 8 June 2001, on the “administrative liability” of legal entities (the “**Decree 231**”) and that consequently it is aware that Decree 231, in addition to the criminal liability of individuals who have actually committed the action, provides for the direct liability of the legal entity for a series of criminal offences committed by its employees or by other specified persons belonging to its organizational structure.

22.2 The list of criminal offences under Decree 231 is absolute but it may be extended in the future and in such case this clause shall be considered as automatically extended towards criminal offences contemplated in the Decree even if introduced after the date of entry into effect of the contract.

22.3 Supplier declares also that it is aware of the Organizational Model and Code of Ethics approved by **SumiRiko** in relation to the matters dealt with by Decree 231 and undertakes to respect the principles and provisions contained in such documents basing its behavior, in the performance of the contractual dealings with **SumiRiko**, on principles of transparency, correct conduct and loyalty.

22.4 The breach by Supplier of the above provisions will result in a serious breach of contract and shall entitle **SumiRiko** to terminate the relationship with immediate effect, by simple written notice, without prejudice to the right to claim any damages which may be suffered by it, including, by way of example and without limitation, those arising from the application of the sanctions provided by Decree 231.

23. GOVERNING LAW AND DISPUTES

23.1 All orders and dealings between **SumiRiko** and Suppliers are governed by Italian law with the express exclusion of the United Nations Convention on the International sale of goods of 11 April 1980.

23.2 Any dispute relative to the validity, performance, termination and/or interpretation of all the dealings between **SumiRiko** and Suppliers shall be resolved by arbitration by one or three arbitrators in compliance with Rules of the arbitration service of the Italian Arbitration Association (“**A.I.A.**”). All disputes having a value of less than Euro 500,000 shall be decided by a sole arbitrator. The arbitration shall take place in Turin. The award shall be adopted according to law.

23.3 Before starting the arbitration procedure the parties shall carry out an attempt at conciliation according to the Rules of the A.I.A.

23.4 The Courts of Turin shall have sole jurisdiction should it not be possible to set up an arbitration procedure.

23.5 The following clauses are approved specifically under and for the effects of arts.1341 and 1342 Civil Code:

Art. 2 (Orders and orders becoming binding); **Art. 3** (Technical Information and Equipment); **Art. 4** Access to Supplier for quality issues); **Art. 5** (Compliance with REACH and conflict minerals legislation); **Art. 7** (Changes and suspensions of orders); **Art. 8** (Transfer of risk at delivery); **Art. 10** (Delays in delivery and penalties); **Art. 11** (Acceptance and defects); **Art. 13** (Payment only by bank transfer –right of **SumiRiko** to offsets); **Art. 14** (Warranty, also vis-à-vis sub-suppliers – Supplier’s undertaking to supply spare parts); **Art. 15** (Recall

campaigns); **Art. 16** (Warranty by Supplier on intellectual property rights); **Art. 17** (Indemnity and Insurance – Responsibility of Supplier in case of product liability); **Art. 18** (Withdrawal and termination – right of **SumiRiko** to cancel orders); **Art. 19** (Confidentiality undertaking of Supplier); **Art. 20** (No subcontracting, assignment of contract or accounts receivable); **Art. 21** (No use of relations with **SumiRiko** for advertising purposes); **Art. 22** (Administrative Liability of entities and application of **SumiRiko's** *Modello Organizzativo* and Code of Ethics); **Art. 23** (Governing law, arbitration clause and residual exclusive jurisdiction)

24. CODE OF CONDUCT

We strive to call attention to the importance and the respect of the Code of Conduct for Suppliers of SumiRiko which is an integral part of the Purchasing Conditions under ANNEX A.

Firma/Signature

Timbro del Fornitore/Supplier stamp

https://www.it.sumiriko.com/?page_id=71

ANNEX A TO PURCHASING CONDITIONS

Code of Conduct for Suppliers of SumiRiko ITA and its business subsidiaries

INDEX

□ Social Responsibility (Human– and Labor Rights)	23
□ Whistle blowing and protection against retaliation:	24
□ Conduct in Business Environment	24
1. Prohibition of Corruption and Bribery	24
2. Policy on Invitations and Gifts	24
3. Preventing Conflicts of Interest / Anti-fraud.....	25
4. Ensuring unrestricted Competition / Ban on Cartels	25
5. Prevention of Money Laundering.....	25
□ Applicability on Subcontractors and Sub- suppliers	25
□ Caring for the environment	26
□ Health, Safety & Environmental Protection	26
□ Maintaining confidentiality and data protection	27
□ Risk Management	27
□ Extending and promoting CSR values along the supply chain	28
□ Compliance with the Code of Conduct for Suppliers	28

- **Social Responsibility (Human– and Labor Rights)**

SumiRiko ITA's and its business subsidiaries (**SumiRiko**) and the supplier's aim shall be to comply with the directives and principles of the UN initiative Global Compact (UNGC), referring to Human Rights, Labor Standards, Environment, Anti-Corruption. According to these principles:

- ✓ Businesses must:

- (1) support and respect the protection of internationally proclaimed human rights;
- (2) Make sure that they are not complicit in human rights abuses.

- ✓ Business must uphold:

- (3) The freedom of association and the effective recognition of the right to collective bargaining;
- (4) The elimination of all forms of forced and compulsory labor;
- (5) The compliance with applicable national statutes on working time are complied with;
- (6) The payment of a remuneration which at least is in line with applicable national statutes on the payment of minimum wage;
- (7) The effective abolition of child labor;
- (8) The elimination of discrimination in employment and occupation.

- ✓ Business must:

- (9) Support a precautionary approach to environmental challenges;
- (10) Undertake initiatives to promote environmental responsibility;
- (11) Encourage the development and diffusion of environmentally friendly technologies.

- ✓ Business must:

- (12) Work against corruption in all its forms, including extortion and bribery.

- **Whistle blowing and protection against retaliation:**

SumiRiko expects its suppliers to establish and maintain an internal system for the reporting of any irregularities or breaches of applicable law and internal procedures by employees (whistle blowing system) in line with the national and international best practices for guaranteeing a specific and confidential information channel and the anonymity of the whistle blower and also the protection of whistle blower from retaliation.

- **Conduct in Business Environment**

1. Prohibition of Corruption and Bribery

SumiRiko expects its suppliers to establish and maintain a zero-tolerance policy concerning corruption and to ensure compliance with the United Nations (UN) and Organization for Economic Co-operation and Development (OECD) conventions against corruption, as well as with all other applicable governing anti-corruption laws. In doing so, **SumiRiko's** suppliers are expected to ensure that their employees, subcontractors and agents do not offer, promise or grant any advantages to employees of **SumiRiko** or affiliated legal entities with the objective of receiving orders or any other kind of preferential treatment in their business operations.

2. Policy on Invitations and Gifts

SumiRiko expects its suppliers to refrain from offering any invitations or gifts to employees of SumiRiko with the purpose to gain influence on their business decisions. Therefore, any invitations or gifts offered to **SumiRiko** employees or affiliated legal entities, if any, must be reasonable and suitable in terms of financial value and reflect ordinary local business customs at any rate. SumiRiko employees must comply with the provisions set under the

“*Policy of gift and entertainment*”. Furthermore, **SumiRiko** also expects its suppliers to refrain from asking SumiRiko employees or affiliated legal entities for any advantages that might be held inappropriate from the perspective of an objective third party.

3. Preventing Conflicts of Interest / Anti-fraud

SumiRiko expects its suppliers to take business decisions based on objective criteria only. Any factors that might influence business decisions of SumiRiko s’ suppliers due to any conflicts of interest must be prevented at any time.

4. Ensuring unrestricted Competition / Ban on Cartels

SumiRiko expects its suppliers to compete in a fair and transparent manner and to comply with applicable antitrust and competition laws and regulations. Suppliers of SumiRiko are expected not to enter into any agreements with their competitors that might constitute a breach of antitrust law, nor to take advantage of any dominant market position they might hold.

5. Prevention of Money Laundering

SumiRiko expects its suppliers to comply with all applicable statutes governing the prevention of money laundering, and not to participate in any money laundering activities at any time.

▪ Applicability on Subcontractors and Sub- suppliers

SumiRiko expects its suppliers to communicate the principles laid out herein to their subcontractors and sub suppliers and to take these principles into account when

selecting subcontractors and sub suppliers. Suppliers of SumiRiko are expected to encourage their subcontractors and sub suppliers to comply with the minimum standards of this Code of Conduct when fulfilling their contractual obligations. Further SumiRiko expects its suppliers to only source material from legal sources and to provide evidence on the legal source if requested.

▪ **Caring for the environment**

SumiRiko believe that engaging in environmental issues is the common responsibility of humankind and is a necessary element in the existence and activity of the company. We require that our suppliers demonstrate deep understanding of this matter, and expect them to promote spontaneous and proactive measures to protect the environment with a view to nature, as well as to comply with Sumitomo Riko Group Green Procurement Standards for suppliers.

▪ **Health, Safety & Environmental Protection**

SumiRiko aim to create long-term relationships with suppliers who demonstrate Healthy and environment protecting management practices, and to build together bonds of trust and cooperation. Therefore, we ask our suppliers to share information concerning their policies and current management situation (energy efficiency, renewable energy, greenhouse gas emission...).

Suppliers shall comply with, or exceed all applicable health, safety and environmental regulations and regularly monitor all activities with impact in these areas.

Suppliers must ensure compliance, at a minimum, to the following international standards and regulations:

- Customer Requirements - IMDS Compliance Suppliers with chronic non-performance may be nominated for placement on bid suspension and/or new business hold.
- International Standards - ISO 14001 Certification or EMAS Highly recommended and expected (but not mandatory).
- International Standards - ISO 45001 or equivalent standard Recommended (but not

mandatory).

- International Standard – ISO 50001 or equivalent measures for increasing energy efficiency Recommended (but not mandatory).
- And - if applicable - Energy Efficiency Directive, EED (2012/27/EU) - DIN EN 16247-1
- Dodd-Frank Wall Street Reform and customer protection Act (Conflict Minerals)

Suppliers in all regions shall provide documentation and other information concerning the origin of any tantalum, tin, tungsten, gold or other minerals that may be designated in the future by any governmental agency (collectively referred to as “conflict minerals”) that are contained within any products sold to SumiRiko to fulfill its obligations under the rules and regulations of set governmental agencies.

▪ **Maintaining confidentiality and data protection**

SumiRiko requests that suppliers implement proper management and respect the confidentiality of data obtained in the course of transactions with SRK and we ask them not to disclose such data without our permission.

Moreover, **SumiRiko** requests that suppliers implement security measures against threats to the computer network and continuously update these measures so that their own company or other companies do not suffer any damage.

▪ **Risk Management**

SumiRiko asks for its suppliers' cooperation regarding appropriate preventive measures and risk management activities undertaken by SRK. Especially in unforeseen circumstances, treating the safety of local society and our employees as a priority, we aim to ensure a stable supply to our customers. **SumiRiko** asks to its suppliers to take action in the same way, setting the security of local society and their employees as the highest priority.

Moreover, in order to react quickly in emergencies, we ask for the implementation of accident prevention measures such as the establishment of a Business Continuity Plan (BCP).

- **Extending and promoting CSR values along the supply chain**

SumiRiko asks to its suppliers to extend and to adopt the spirit of our CSR guideline to their suppliers by means of education and promotion of company CSR policies. It is important for us that suppliers and other trade partners are committed to CSR management.

- **Compliance with the Code of Conduct for Suppliers**

SumiRiko requests for all its suppliers to comply with this code of conduct and fulfill all of the principles and requirement set out in this Code of Conduct and implement measures for improving his sustainability continuously.