ITALDESIGN

General Conditions of Purchase of Goods and Services

1. SCOPE OF APPLICATION

1.1 These General Conditions govern the purchase of Goods and/or Services by Italdesign-Giugiaro Deutschland GmbH (hereafter Purchasing Company), and its Suppliers (as hereinafter defined). The terms used in these General Conditions have the following meaning, unless the context does not unambiguously relate to another interpretation:

- **VW Group Company**: any company in the VW Group, namely the Group of Companies that Volkswagen AG (based in Berliner Ring 2,38440 Wolfsburg, Germany) belongs to (the term Group must be understood in the meaning defined by Article 15 of the German Companies Act); such company is entitled to place new Orders with the Supplier under the same conditions agreed between the Supplier and the Purchasing Company, except for changes due to logistical costs or different payment terms.

- **General Conditions of Purchase and/or General Conditions**: these general conditions of purchase of Goods and/or Services.

- **Purchasing Company**: a) Italdesign-Giugiaro Deutschland GmbH, with its registered office in Heinenkamp 36, 38444 Wolfsburg, placing a Purchase Order and intending to purchase Goods or to obtain Services from the Supplier; b) any other company controlled by the aforementioned company or its holding company and any other company under the dominant influence of any of the aforementioned companies, whenever the company acts as a Purchasing Company in the business of the type described in these General Conditions of Purchase and is identified by any means (such as the signature of the relevant legal representative, the related company stamp, etc.).

- **Supplier**: the company that supplies Goods and/or Services, including through the organization of the necessary means and with management at its own risk.

- **Parties**: Purchasing Company and Supplier defined jointly.

- **Good(s)**: the products or merchandise indicated in the Purchase Order and in the Technical Documentation, where available, subject to these General Conditions.

- **Service(s)**: any of the services covered by these General Conditions, indicated in the Purchase Order and in the Technical Documentation, where available.

- **Purchase order and/or Order**: the order submitted by the Purchasing Company to the Supplier for Goods or Services.

- **Technical Documentation**: any technical specification that the Goods and/or Services must comply with.

- **Request for Quotation**: request made by the Purchasing Company to the Supplier on the basis of the need for a specific supply of Goods and/or Services so that it may make an offer. Said request includes, inter alia, the conditions laid down in the bid specifications, the technical and logistical specifications, and the quality and safety requirements that must be met by the supply.

- **Binding Obligation**: the rules and regulations, including administrative ones, in force at the place of executing the contract covered by these General Terms and Conditions or the order, the requirements deriving from the standards set by the Volkswagen Group and communicated for the correct fulfillment of these General Terms and Conditions, as well as those of greater use in the relevant commercial sector, the contractual requirements and the commitments voluntarily assumed. Binding Obligations also include, in particular, environmental requirements relating to products, including their packaging, and in any case the full compliance of the Goods and Services with the standards applicable to them.

2. VALIDITY AND ACCEPTANCE OF THESE GENERAL CONDITIONS

2.1 The supplies delivered to the Purchasing Company on the basis of its Orders are carried out in accordance with these General Conditions, which are deemed to be fully accepted by the Supplier with the acceptance of the Order as set out in Article 3 below. However, it is understood that: a) The Purchasing Company reserves the right to refuse to execute any Order at any time (and therefore refuse to make payment and/or receive the Services for that order) at any time the Supplier has not subscribed to these General Conditions of Purchase for specific acceptance of all General Conditions set forth therein, and b) the Purchasing Company is in no way obligated towards the Supplier on the basis of the Purchase Order within the terms in which the Supplier does not return these General Conditions of Purchase for acceptance as described above within the closest of the following two dates: i) the end of the 30th calendar day from the date of the Order; ii) the date of commencement of the execution of the Order by the Supplier.

2.2. These General Conditions shall remain in force until the Parties expressly agree otherwise, jointly and in writing, and always until the full fulfilment of the outstanding obligations.

2.3 Any change to these General Conditions shall only be valid if included in writing in the Order or, in the case of an Order already in execution, if the change is agreed in writing jointly by the Supplier and the Purchasing Company; no provision or General Conditions of sale added by the Supplier in the invoices, delivery bills or correspondence that contradict or limit these General Conditions are considered valid, unless expressly accepted in writing by the Purchasing Company.

2.4 If one or more of the clauses contained in these General Conditions or in the Order are void or declared void or ineffective under the law, the validity of the remaining clauses shall remain unchanged.

2.5 The Order, any changes thereto, any annexes thereof, and these General Conditions constitute the entire and exclusive agreement between the Purchasing Company and the Supplier. Consequently, any other verbal agreement that modifies the content of the above documents is not binding.

3. ORDERS

3.1 The Order must be made by means of the form issued by the Purchasing Company by mail or by means of an electronic data transmission, which is considered as written communication.

3.2. All Orders must contain: order number, supplier name, price, delivery terms, delivery address, payment terms. Therefore, these General Conditions are part of the Order for all intents and purposes.

3.3. The Supplier is required to confirm the acceptance of the Order to the Purchasing Company within 8 (eight) days of receipt, communicating it in writing via hardcopy or electronic format. In the absence of such confirmation within the aforementioned time limit, Orders based on these General Conditions of Purchase shall be deemed to be fully accepted when the Supplier has begun to fulfil the Order made by the Purchasing Company. This without prejudice to the Purchasing Company's right to accept or reject any Goods and/or Services already made and/or provided, by charging the costs incurred to the Supplier.

4. PRICES

4.1 Following a Request for Quotation by the Purchasing Company, the Supplier must submit its Offer submitting it according to the Purchasing Company's specific requirements at the time of issue of each Request for Quotation. The Offer must be duly completed with all relevant data.

4.2 The price of the Goods and Services is established in the Order. The price of the Goods includes packing, delivery, shipping and export taxes and excludes any VAT. The price of Goods and Services is defined, all-inclusive, and not subject to increases throughout the time specified in the Order, unless otherwise and expressly agreed in the Order by the Purchasing Company and the Supplier.

5. SUPPLY OF SERVICES AND/OR GOODS. ACCEPTANCE

5.1 The supply of Goods and/or Services must be made on the agreed date, in accordance with the conditions set forth in the Order. Unless otherwise stipulated, the Goods and/or Services must be provided at the place indicated in the Order, regardless of whether they are premises of the Purchasing Company or of a third party.

5.2 In the event of default or non-fulfilment of the delivery dates, the Purchasing Company reserves the right to:

a) Accept the supply or continuation of the supply as rendered, by applying a penalty equal to 5% (five percent) of the value of the Service not provided and/or the Goods not delivered on the date stated in the Order and/or within the specified deadline, without prejudice to any rights to further compensation if the delay has caused more serious damage.

b) Organize, directly or through third parties, the supply of Services and/or Goods that have not been provided and/or delivered or if it reasonably foreseeable that they cannot be provided and/or supplied within the established deadline. This decision is binding for the Supplier. If the Purchasing Company chooses to exercise this right, the Supplier assumes all the expenses that have been directly or indirectly incurred by the Purchasing Company. For this purpose, the Purchasing Company issues the relevant invoices for the total amount of such sums, and the offsetting set forth in Article 15 of these General Conditions is applicable.

c) Consider as cancelled the Order, or unfulfilled part thereof, by giving a simple written communication to the Supplier. In such a case, the Purchasing Company will be relieved, from the date of receipt of the aforesaid communication to the Supplier, from any obligation to accept and pay for the Service and/or Goods, without prejudice to the Purchasing Company's right to initiate legal proceedings, including for compensation of the damage suffered.

5.3 Whenever the Supplier is late in providing the Service and/or supplying the Goods, it must inform the Purchasing Company as soon as it becomes aware of the possible delay.

5.4. In the event that the execution of the Services falls within the scope of occupational safety regulations, the Supplier undertakes to provide all documentation, also regarding any Subcontractors referred to in Article 10 below, as per applicable legislation in force, and to meet all the requirements of the aforesaid regulations. In addition, it undertakes to hold the Purchasing Company harmless from any prejudicial consequence that may result from failure to comply with such regulations.

5.5. The Supplier declares that it has properly complied with any obligation to pay its employees' wages and social contributions. The Supplier also undertakes to indemnify and hold the Purchasing Company harmless from any and all costs or damages or liabilities resulting from any dispute that may arise directly with the employees of the Supplier and any subcontractors, with the pension and/or welfare institutions or any other authority (such as, but not limited to, judicial, administrative and tax authorities) for inherent and/or related matters and/or in any case arising from the relationship with such employees or any accidents at work or damages in any way suffered by the employees, as well as with regard to any damage caused by the employees to property or persons, including every and any third party, including cases of willful misconduct or gross negligence.

5.6 The Supplier declares that it has entered into an appropriate insurance policy with a primary insurance company, which it agrees to deliver to the Purchasing Company at its request. The Purchasing Company reserves the right to request that the Supplier supplement the limits of coverage if, given the type of Goods and/or Services, at its sole discretion, it does not consider sufficient the limits insured by the Supplier.

6. EXECUTION METHOD AND PLACE OF DELIVERY OF THE SUPPLY. AMOUNT

6.1 The supply of Goods and/or Services shall be carried out at the place indicated in the Order, as set forth in Article 5.1 above, unless otherwise and explicitly agreed between the Supplier and the Purchasing Company. The Goods delivered to the Purchasing Company must be packaged in a manner suitable for the type of product and purpose and must be appropriately labelled for their correct identification.

6.2 Notwithstanding any tolerances of use or those expressly agreed upon, and subject to the acknowledgement by the Purchasing Company, the Supplier is required to make the deliveries in accordance with the quantity specified in the Order. The Purchasing Company therefore reserves, at its sole discretion, the right to reject the quantities over or above the requested deliveries or those delivered in advance of the agreed deadlines (or, alternatively, withholding them from the payment terms deferred until the actual need date) as well as to consider the Order fully closed with the lower quantities delivered by the Supplier within the agreed terms, rejecting any late additions (or, alternatively, rejecting manifestly insufficient deliveries by cancelling the entire Order), without prejudice to any further measures provided for in the event of non-fulfilment within the agreed deadlines.

7. DOCUMENTATION AND QUALITY REQUIREMENTS

7.1 The Supplier undertakes to supply Goods and/or Services in accordance with the technical specifications and to manage the related documentation as indicated therein and/or in the Order. While fulfilling the contract, the Supplier must meet the standards and measures required to ensure the quality and technical requirements established by the Purchasing Company and provide the Services and/or Assets in accordance with them. In addition, the Supplier must constantly review and adapt its standards and measures to ensure the quality and technical conditions of the Goods and/or Services provided.

7.2 The Goods must be accompanied by documentation that is appropriate to certify the conformity of the supply, according to the applicable specifications, including but not limited to their certificate of origin.

7.3 Where applicable depending on the specific type of Goods and/or Services covered by these General Conditions or the Order, the Supplier undertakes to carry out and guarantee the periodic and systematic observation of the quality of the Goods and/or Services performed and to send to the Purchasing Company appropriate documentation certifying such compliance with the legislation in force from time to time, copy of specific certifications approved by the competent bodies or in use by the majority of companies in the Business area, including any related updates, every six months, always without prejudice to the Purchasing Company's right to request any additions or clarifications to the documentation presented at any time

7.4 If applicable to the kind of Goods and/or Services provided, if the supply does not have a certificate of control, the Purchasing Company reserves the right to charge the Supplier, for each individual Good supplied, the amount of € 400,00 (four hundred/00) or any additional costs incurred by the Purchasing Company and/or any compensation for damages. The Supplier is required to keep the recording of the controls carried out during the production process of the Goods being supplied. The Supplier undertakes to promptly notify the Purchasing Company of any non- compliance of the product or process detected during the execution of the supply and to jointly agree the corrective actions to be implemented. Any changes to the configuration of the Goods and/or Service or the agreed processes must be authorized in writing by the Purchasing Company.

7.5 The Purchasing Company has the right to verify at any time that the Services are provided in accordance with the applicable quality standards and technical conditions of the Purchasing Company.

7.6 If the Supplier has requested and obtained from the Purchasing Company the authorization to subcontract as provided in Article 10 below, it must ensure that any subcontractors meet the same conditions that the Purchasing Company requires of its suppliers, without prejudice to direct and joint liability of the Supplier with its subcontractors towards the Purchasing Company.

8. REPORTING DEFECTS AND/OR NON-COMPLIANCES. LIABILITY

8.1 In the event of any defects and/or non-compliances of the Goods and/or Services provided, the Purchasing Company reserves the right to request the replacement or repair of the defective and/or non-compliant Goods or to request that the Service be provided again, without prejudice to possible compensation for damages and the commitment to take the corrective and preventive actions necessary to avoid the repetition of the defects and/or non-compliances detected. In the event that the defects and/or non- compliances are such as to jeopardize the reliability of the supply of Goods and/or Services, the Purchasing Company reserves the right to reject the Goods delivered by the Supplier and any stocks of previous lots, cancel any subsequent delivery schedules, as well as refuse the provision of the Services.

8.2 The acceptance takes place on the basis of the Supplier's compliance documentation.
The completed payment does not entail the Purchasing Company waiving the option of reporting to the Supplier any flaws, defects or non-compliances of the Goods and/or Services arising from technical-qualitative controls or from the use of the Goods and/or Service, without the Purchasing Company being obliged to comply with the terms and methods of examination and verification, with every supply always and in any case being provided with a declaration by the Supplier that the Goods and/or the Services supplied are in compliance with the Purchase Order and are free from flaws or defects.
The report by the Purchasing Company can therefore be made at any time after receipt of the order, in the case of hidden flaws, or failure to deliver the certification of conformity of the supplied product, if requested by the reference specification, even after the supplies have entered the production cycle or been incorporated in finished products sold by the Purchasing Company to its customers.
In the case of defects and/or non-compliance of Goods provided in their raw or semi-finished condition that can be identified only after processing, the Purchasing Company will be entitled to also charge the Supplier for the processing costs incurred on the discarded quantities, if they exceed the percentages considered tolerable by the technical services of the Purchasing Company.

9. RISK AND PROPERTY

9.1 The Supplier shall bear the risk of any damage or loss of the Goods during transport until their delivery at the address indicated in the Purchase Order or, if none is specified, at the address of the Purchasing Company. Ownership of the Goods will pass to the Purchasing Company upon delivery to the address indicated on the Order or, if none is specified, at the address of the Purchasing Company.

10. SUBCONTRACTING

10.1 Unless otherwise agreed between the Purchasing Company and the Supplier, the latter may not subcontract (even partially) to any third party the activities necessary for the supply of Goods and/or Services to the Purchasing Company.

10.2 Should the Purchasing Company approve a subcontract, it is understood that the Supplier undertakes to ensure that its subcontractors comply with sustainability requirements, principles set forth in the Code of Ethics for Business Partner and, in general, all obligations under these General Conditions; therefore, the Supplier shall be held liable for any infringement by its subcontractors.

11. RISKS FOR HEALTH AND SAFETY

11.1 The provision of Services must take place in compliance with all the safety requirements established by the applicable legislation, as well as the technical specifications of the Purchasing Company where provided in the conditions of the offer or in the other documents delivered to the Supplier together with the Request for Quotation or later. The Supplier will take all the measures and precautions necessary to prevent accidents at work and to safeguard the safety of personnel in the manner provided by the applicable hygiene, health, and safety regulations in the workplace. In order to allow the performance of every appropriate control, the Supplier will provide the Purchasing Company with formal notice of any injury / accident involving its staff within the event's calendar day, specifying the circumstances and causes, keeping the Purchasing Company informed about developments related to the inspections and investigations.

12. WARRANTY

12.1 The Services provided to the Purchasing Company are subject to the warranty required by the applicable law, being understood that all Services accepted by the Purchasing Company shall be deemed to have been accepted under the specific condition included in Article 14.1.

12.2 Without prejudice to Section 5.4 above, if the Purchasing Company is to be subject to claims of compensation for non-compliance with the applicable safety rules or other applicable rules of any kind, the Purchasing Company reserves the right to request the Supplier to repay all damages, costs, expenses and indemnities, whenever the provision of the Services has not been carried out correctly and has directly or indirectly caused a claim for compensation by a third party. In the event that any sum should be charged to the Supplier in relation to the due guarantee, this sum may be claimed by the Purchasing Company or by any VW Group company.

13. INVOICING

13.1 All invoices must include the supplier's name, order number, the reference number of the Good and/or Service, the delivery note number, if any, as well as any other information required by the tax regulations in force at that particular time, and any further information that the Purchasing Company deems necessary.

13.2 The invoicing must be performed on the basis of the conditions set out in the Order.

13.3 In the event that the Supplier breaches the above provisions, and it being understood that the Supplier is liable in the event of non-compliance with tax provisions, the Purchasing Company reserves the right not to accept the deliveries until the documentation is brought into compliance, or to accept them and letting the payment terms run from the time the Supplier has come into compliance.

14. PAYMENT TERMS

14.1 The payment of the supply to the Suppliers is made in accordance with the conditions shown in the Order, and the fact that the Goods and/or Services meet the quality standards required by the Purchasing Company is an essential condition for payment.

14.2 Payment of the Order does not imply acceptance of the Services and/or Goods by the Purchasing Company in terms of quality, quantity, and price thereof and does not mean that the Purchasing Company waives the rights deriving directly or indirectly from these General Conditions or applicable law.

14.3 Except as provided by applicable laws or otherwise agreed between the Parties, the Purchasing Company shall make payments of the received and accepted supplies within 30 days end-of-month invoice date by bank transfer to the account specified by the Supplier. The Supplier expressly declares that it does not in any way consider the above payment term unfair and that it has been jointly agreed by the Parties. In the absence of prior authorization and/or support at the bank designated by the Purchasing Company, collection orders or equivalent documents issued directly by the Supplier will be rejected. The transfer to third parties of any receivables deriving from supplies made to the Purchasing Company shall remain subject to the prior approval of the Purchasing Company, even in derogation from the provisions of law in force, without prejudice to the enforceability against the third-party transferee of any exception regarding the receivables, the quantity and quality of the supply and any relations between the selling Supplier and the Purchasing Company.

14.4. If the circumstances indicate that the Supplier is unable to comply with the forthcoming obligations, the Purchasing Company may suspend the payments until such time as it considers that it is indisputable that the Supplier is again able and willing to fulfil said obligations in an appropriate manner. It is understood that during the suspension of payments, the Supplier may not suspend the execution of its contractual obligations.

15. OFFSETTING

15.1 If the Purchasing Company charges the Supplier any amount based on the provisions of these General Conditions or of the Purchase Orders, the Supplier expressly authorizes the Purchasing Company to issue the corresponding invoice and deduct the related amount from the amounts owed by the Purchasing Company to the Supplier, upon payment, or to add the receivable to any receivable in favor of the Purchasing Company; all this will be duly recorded in the current accounts.

16. PROTECTION OF THE TRADEMARK, MODELS OR DESIGNS OR KNOW-HOW PROVIDED BY THE PURCHASING COMPANY AND/OR OTHER VW GROUP COMPANIES.

16.1 If, as part of the Supply, the Supplier and/or any subcontractors use the trademarks owned by the Purchasing Company and/or the Volkswagen Group, and/or trademarks of which the Purchasing Company is a licensor, it is understood that such use shall be limited to the fulfilment of the supply. Such use shall not grant the Supplier any rights to the trademarks, and in any event, the Supplier hereby waives such rights.

16.2 In any case, the Supplier is prohibited from making any kind of graphic, color or textual change or addition to the trademarks, or using any distinguishing marks incorporating the words, writing style, marks, shapes, and colors that characterize the trademarks, as well as any other mark that may be confused with them or that may be considered derivative from them.

16.3 The Supplier shall be the custodian of the designs, models and know-how owned by the Purchasing Company which are even temporarily in its possession, and it may not make copies of them. These models, drawings, and know-how, together with those prepared by the Supplier for the purpose of providing the Services and/or the Goods expressly requested by the Purchasing Company, may not be transferred to other persons or bodies without express written consent by the Purchasing Company; they may not be used by the Supplier for purposes other than the provision of Services and/or Goods to the Purchasing Company. Unless otherwise agreed in writing, any drawing, model or know-how prepared by the Supplier for

the purpose of providing the Services and/or the Goods expressly requested by the Purchasing Company shall be considered included in the price paid by the Purchasing Company for what the Supplier has provided; consequently, such models, drawings and know-how are deemed to be the property of the Purchasing Company, its customers and/or any other VW Group Company which, as the case may be, acts as purchaser. These drawings or models must be delivered to the Purchasing Company.

16.4 In the event of non-fulfilment of the above provisions, the Purchasing Company shall be entitled to cancel the Order and request the return of any profit obtained by the Supplier, in addition to compensation for damages.

16.5. If the Supplier registers the industrial or intellectual property rights in violation of the terms of this provision, it shall be obliged to transfer such rights to the Purchasing Company free of any charge, without prejudice to all other rights of the Purchasing Company under the above provisions.

17. COST ANALYSIS

17.1 The Supplier undertakes to analyze with the Purchasing Company, if requested to do so, any reasonably possible reduction in cost of the Services and/or the Goods. The Supplier also authorizes the Purchasing Company and the persons designated by it to carry out, in its laboratories and/or offices, appropriate controls over all the Services provided to the Purchasing Company.

18. PROHIBITION OF PUBLICITY. INDUSTRIAL SECRETS. CONFIDENTIALITY.

18.1 Under no circumstances shall the Supplier mention, publish or advertise on its own behalf or that of third parties its commercial or industrial activities for the Purchasing Company, or use the trademark, logo or name of the Purchasing Company in any media, if not with the prior written permission of the Purchasing Company. As a result, the Orders and the related commercial and technical details, together with any industrial secret and confidential information that the Supplier has become privy to during the supply to the Purchasing Company, must be handled by the Supplier as strictly confidential up to the entire fifth year after the relationship's resolution and/or termination for any reason.

18.2 The Supplier agrees that it is essential for any subcontracting to another supplier acting as a supplier or manufacturer of the Services ordered by the Purchasing Company, that the Supplier undertake to obtain from such subcontractor the commitment to fulfil all obligations arising out of these General Conditions, without prejudice to the direct and joint responsibility of the Supplier towards the Purchasing Company; the above, of course, provided that the Supplier has previously requested and obtained in writing from the Purchasing Company the authorization for such subcontracting pursuant to Article 10 above.

18.3 The Purchasing Company requires each Supplier to respect and safeguard with absolute confidentiality any information, news, data and any other material related to the supply relationship, through an express declaration of confidentiality.

19. INDUSTRIAL PROPERTY

19.1 In any case and without exception, the Supplier expressly warrants to the Purchasing Company that all Services and/or Goods that have not been conceived by the Purchasing Company have been and will be supplied in accordance with current regulations, and in particular that they do not constitute and will not constitute a breach of any other party's registration or industrial property right, and that they are not subject to any litigation or legal proceedings.

19.2 The Supplier must inform the Purchasing Company of any application or use by the Supplier of its own or third party patents.

19.3 The consequences of any breach of the aforementioned provisions or of any limitations imposed on the Purchasing Company as a consequence of such limitations shall be borne directly by the Supplier, and the Purchasing Company reserves the right to claim compensation for damages.

19.4 The Supplier must respect the Purchasing Company's Industrial Property Rights. If the Supplier becomes aware of a third-party claim regarding these rights, it must immediately inform the Purchasing Company and refrain from any action against third parties unless the written consent of the Purchasing Company is obtained. If the Purchasing Company's industrial property rights are used for purposes other than those previously mentioned without the explicit consent of the Purchasing Company, the latter is entitled to claim compensation for all damages suffered.

19.5 If the Supplier introduces technological innovations as part of the activities covered by an Order by the Purchasing Company, it undertakes to provide the Purchasing Company with the relevant license in such a way as to enable the latter to produce, have produced, and sell the results of this innovation. The fee for such a license, irrevocable, perpetual and without territorial extension limits, with a sub-licensing option, is deemed already included in the fee.

19.6 The Purchasing Company will acquire the exclusive and unconditional ownership of all technical results of the works covered in the Purchase Order and the related intellectual property rights as soon as they are carried out by the Supplier in execution of the Purchase Order. The Purchasing Company may, at its own discretion, expense, and care, decide to proceed with its registration, hereby committing the Supplier to cooperate, where required by the Purchasing Company.

20. ASSIGNMENT

20.1 The Supplier may not assign the Orders received from the Purchasing Company.

20.2 The parties agree that the receivables deriving from the supplies to the Purchasing Company cannot be assigned or transferred in any way by the Supplier, if not after the latter has requested and obtained the written consent of the Purchasing Company. In addition, this clause is presumed to be known by the transferee at the time of the sale and prevents the purchase in good faith of such receivables.

20.3 The Purchasing Company may assign any rights deriving from the Order, these General Conditions and/or the documents that may substitute or supplement them, to any VW Group Company. Likewise, the Purchasing Company may take the place of a VW Group Company in any claim the latter may have against the Supplier for any reason. Consequently, the Supplier accepts this substitution in all respects and without any limitations of subject, and thus agrees to accept any claims made by the above Companies in relation to the supply to the Purchasing Company or other VW Group Company and to accept the sums that the Purchasing Company or other VW Group Company may charge to the Supplier for this reason as part of the current debit and credit account with the latter for the purposes contemplated by any Order or relationship of any nature in place with the Supplier. To this end, the Supplier expressly authorizes the Purchasing Company and any other VW Group Company to issue corresponding invoices, where appropriate, and to offset the amounts of such invoices with all amounts owed by the Supplier to such Companies on the basis of any existing relationship.

20.4 The Supplier undertakes, as an essential condition for resorting to any other supplier acting as supplier or manufacturer in the supply of Services and/or Goods ordered by the Purchasing Company, to obtain from this additional party the "explicit acceptance of the assignment and offsetting referred to in Articles 20.2 and 20.3, so that the Purchasing Company and any other VW Group Companies may, by virtue of these General Conditions, demand from the Supplier or directly from the subcontractors and/or suppliers of the Supplier the payment of the entire amount owed for any reason, and to carry out the appropriate offsetting and charging in the context of their respective debit and credit accounts current at that time with the Supplier or its subcontractor. Failure by the supplier or subcontractor of the supplier to accept the assignment and offsetting described above gives the Purchasing Company the right to immediately cancel the Order without prejudice to the latter's right to claim from the Supplier the reimbursement of the costs incurred and compensation for damages caused by the aforementioned cancellation.

20.5 The provisions of this Article are applicable to the Supplier and to any entity that participates at any level in the process of supplying Services and/or Goods; the Supplier and its possible suppliers are responsible for ensuring that all who participate in the Services and/or Goods supply process accept the provisions of this Article in their entirety, as well as the rest of these General Conditions.

21. COMPLIANCE WITH THE REGULATIONS

21.1 The Supplier undertakes to comply with all legal provisions and the Purchasing Company's internal regulations if, while fulfilling the Order, they should carry out their work within the premises of the Purchasing Company or use means owned by the Purchasing Company inside or outside its premises; the Supplier will therefore be held liable for any damage to persons, assets, plants or equipment, installations, processed, semi-processed or warehoused products, resulting from negligence or fault, caused by its subcontractors or their respective employees.

21.2 In the above cases, the Supplier indemnifies the Purchasing Company from any liability and commits to compensate it for any damage or expense incurred as a result of such damages.

21.3 The Supplier is required to ensure the full compliance of machinery, plants, equipment, and any other supplied Goods and/or Service with applicable law, company standards and/or any other specific instruction (e.g. hazardous or harmful substances and/or preparations). The Supplier must be diligent in obtaining, correctly interpreting, and submitting to the Purchasing Company the documentation of the above Goods and/or Services, which in any case forms an integral part of the supply. For any toxic or harmful substances and/or preparations, the Supplier is required to disclose their characteristics to the Purchasing Company, indicating the particular precautions for use (e.g. safety data sheets). The Supplier also indemnifies the Purchasing Company from any liability arising out of the breach of the Supplier's obligations as employer in relation to legislation on Social Security, Health and Safety or any other applicable law.

21.4 The Supplier undertakes to comply with all applicable laws relating to compulsory insurance and, furthermore, to provide further liability insurance against civil, professional and product liability with a primary insurance company to cover accidents or damages that may occur in the course of its business. This insurance policy must be sent to the Purchasing Company at its request, together with the certificates of subsequent renewals.

22. CODE OF ETHICS. SUSTAINABILITY

22.1 The Supplier declares to be aware of, to comply with, and to require its employees and/or associates to comply with the principles contained in the regulations on the administrative liability of entities, and subsequent amendments and additions, as well as to having reviewed, to know, to accept and commit to comply with (also for its employees and/or associates) the Organizational Model, General Part and the Code of Ethics for Business Partner, in the versions updated from time to time, adopted by the Purchasing Company under the aforesaid decree and published, respectively, on the website www.italdesign.it and www.volkswagengroup.it.

22.2 The Supplier undertakes to produce, at the request of the Purchasing Company, all the information and documentation that the latter may deem necessary to demonstrate the Supplier's compliance with the Code of Ethics for Business Partner, for the purposes of the subsequent audit and unappealable assessment by the Purchasing Company. The supplier declares and warrants that it is not subject to any proceedings for any of the offences governed by the law, or should it be the case, to promptly notify the Purchasing Company.

22.3 Failure to comply with the aforesaid provisions will be considered as a serious breach, which will give the Purchasing Company the grounds and right to resolve these General Conditions, without prejudice in any case to the right to compensation for damages.

22.4 The Purchasing Company aims to achieve sustainable development goals, with particular regard to the environmental compatibility of its products, the reduction of its natural resource consumption, and the protection of the rights and personal development of its employees, at both a local and global level.

22.5 The Purchasing Company expects its Suppliers to also pursue the aforementioned environmental and social sustainability objectives. In particular, the Purchasing Company requires its trading partners, including the Supplier, to comply with the principles of legality, integrity, fairness and transparency, with reference to the issues of ENVIRONMENTAL PROTECTION (energy conservation, eco-compatibility, waste disposal and recycling), RIGHTS of WORKERS (freedom of association, safety and health of workers, respect for working hours, equal opportunities, prohibition of exploitation of child labor), TRANSPARENCY in COMMERCIAL RELATIONS (prevention of conflicts of interest, corruption and laundering money of unlawful origin, free competition, compliance with the requirements of the Volkswagen Group on sustainability in the relations with trading partners and, in particular, with the Code of Ethics for Business Partner, whose full text is available on the website https://www.vwgroupsupply.com/one-kbp-pub/en/kbp_public/information/nachhaltigkeit_neu_pub_2019/sustainability_requirements/basicpage_for_general_pages__html_13.html. The Supplier declares to have reviewed, to know and to be adequately informed about the above requirements.

22.6 The Supplier undertakes to produce, at the request of the Purchasing Company, all the information and documentation it will deem necessary to demonstrate the Supplier's compliance with the environmental and social sustainability standards and requirements as identified above, for the purpose of the subsequent audit and unappealable assessment by the Purchasing Company.

22.7 The Supplier declares to have read, to know, to accept and undertake to comply with - also for its employees and/or collaborators - the principles set out in the document "*Communication and Advertising Principles for the Volkswagen Group*" published on the website https://www.volkswagenag.com/en/sustainability/strategy-policy-engagement/policy.html. In the case that the Supplier is responsible for violations to any of the provisions envisaged, the Purchasing Company can rightfully and immediately terminate the contractual relationship, without prejudice to any other applicable legal remedy, including the right to compensation for any damage suffered.

23. FORCE MAJEURE

23.1 The Supplier is not liable for the total or partial failure to supply, or for the delay in supplying, the Services and/or Goods, if this breach or delay is due to force majeure (including general, local or industry labor strikes broader than the Supplier, excluding its internal strikes).

23.2 If the Supplier is unable to provide the Services and/or Goods in whole or in part due to force majeure, it must inform the Purchasing Company of the existence of the cause of force majeure as promptly as possible, and in any case no later than 24 hours from the time when the force majeure manifested. In addition, the Supplier must provide a detailed explanation of the nature and scope of the cause, of the expected delay in providing the Services and/or Goods, and of the new resulting situation in terms of possibility of suppl and must remedy this situation as soon as the cause ceases to exist.

23.3 While this situation persists, the Supplier and the Purchasing Company agree on the additional measures necessary to continue the supply; the Supplier is responsible for adopting them. The impossibility for the Supplier to guarantee the supply, even after the appropriate adoption of all additional measures, is not considered to be a default of its obligations. Nevertheless, if the supply does not normally resume within 15 calendar days from the day on which it was totally and partially interrupted or unfulfilled due to force majeure, the Purchasing Company may consider the Order resolved, with immediate effect, even if the Supplier has correctly adopted the aforementioned additional measures.

23.4 The Purchasing Company may suspend the receipt and the payment of Services and/or Goods ordered from the Suppliers, without any liability for damages, in the event of flood, fire, strike or other trade union action, riot, official orders, impossibility of communication or other interruptions within the Purchasing Company that may lead to a reduction in activity or suspension of work at its manufacturing or commercial facilities, and other similar incidents including events due to force majeure.

24. WITHDRAWAL

24.1 Without prejudice to events of force majeure and other cases of termination under these General Conditions, the contractual relationship arising from the Order may be resolved, even partially, at any time by the Purchasing Company with written notice which must be communicated to the Supplier with a prior notice of 30 (thirty) days, unless otherwise agreed between the Parties.

25. EARLY CANCELLATION

25.1 The causes described below and all those expressly mentioned in the individual provisions of these General Conditions constitute reasons for cancellation of the Order and of any contractual relationship between the Parties based on these General Conditions:

- Acceptance by the competent Judicial Authority of the request for suspension of payments of the Supplier or initiation of a liquidation procedure, declaration of insolvency by the Judicial Authority; actual insolvency; public and private disposal of assets to creditors or distribution of assets at the request of creditors, whether or not it results in unavailability; seizure, repossession or other constraints on such goods.
- Total or partial non-fulfilments by the Supplier.
- Failure to deliver and/or update the documents referred to in Article 5.4, including those related to any subcontractors, within the time limits laid down by the applicable law and the relevant deadlines.
- Delay in supplying the Services and/or Goods by the agreed delivery time if the Supplier is responsible for the delay.
- Lack of quality of the Services and/or Goods.
- Refusal by the Supplier to (i) sign the letter of appointment as Data Processor and/or any additional binding deed concerning the processing of personal data to ensure compliance with the General Data Protection Regulation 679/2016 ("GDPR"), the Code on the protection of personal data and/or any additional applicable law (ii) breach of the obligations set forth in the letter of appointment as Data Processor and/or in the contract concerning the processing of personal data.
- Change of the Supplier's company name; change in the shareholding or control, transformation, merger, demerger, or transfer of its business unit.
- Change in prices or other specific conditions relating to the Services and/or Goods.
- Violation of the Code of Conduct for Business Partner adopted by the Purchasing Company.

25.2 In all the above cases, early cancellation is effective from the receipt of the notification, to be sent by registered letter with return receipt, with which the Purchasing Company notifies its intention to invoke this clause.

26. DAMAGES FROM CONTRACTUAL BREACH BY THE SUPPLIER

26.1 In the event of a complete or partial breach of any of the obligations arising from the Order, from these General Conditions and/or from any other document that may supplement or replace them, the Supplier shall be obliged to compensate the Purchasing Company for any damages suffered.

27. APPLICABLE LAW. JURISDICTION

27.1 These General Conditions are governed by German law.

27.2 The Supplier expressly agrees that any disputes arising between the Parties in relation to the interpretation and/or execution of the Orders and these General Conditions shall fall under the authority of the court of Wolfsburg.

28. AUDIT

28.1 The Supplier shall allow the Purchasing Company, or a third-party company appointed by the latter, access to its legal/operating office with a simple written request from the Purchasing Company and with a notice of 3 (three) working days. During the audit, the Purchasing Company also reserves the right to require the Supplier to produce copies of the accounting and tax books, and of other documents relevant to the execution of the supply that shall be specified by the Purchasing Company or its agents. The Supplier undertakes to have its sub-contractors accept the same conditions referred to in the previous section; therefore, the Purchasing Company will have the right of access and audit at the premises of any sub-suppliers.

28.2 In the event that the audit reveals that the Supplier is failing to comply with its obligations regarding remuneration of its employees and/or associates in any way, the Purchasing Company will have the right to charge the costs it incurred for the audit in addition to terminating the contractual relationship under Article 25 above.

28.3 The Parties mutually agree that the right of audit at the premises of the Supplier and of any subcontractors mentioned above may be exercised by the Purchasing Company even after the contractual relationship's termination for any reason.

29. PERSONAL DATA

29.1 For the purposes of law regarding the processing of personal data, the Purchasing Company informs the Supplier that the personal data (birth, identity, tax and economic data) of persons or bodies that have relations with the Purchasing Company are collected, recorded, prepared, stored and processed for administrative, accounting and commercial purposes, and in particular, the aforementioned purposes include the following activities: order management, invoices and payments, conclusion of contracts with third parties (including those relating to subcontracting to third parties the management of the Purchasing Company's warehouse and services relating to the receipt and delivery of goods), supply management, customer relations, fulfilment of legal or contractual obligations, subcontracting of administrative activities. The above data may be disclosed to third parties for the reasons for which they were acquired and collected. Unless otherwise stated, this data is kept at the head office of the Purchasing Company, which represents the party authorized to carry out the aforementioned processing and is responsible for it.

29.2 By signing these General Conditions, the Supplier declares that it has received the above information regarding the processing of personal data, has been informed of the rights that the law recognizes to the person whose personal data is processed, and gives its consent, for any legal purpose, to the processing of the aforementioned personal data by the Purchasing Company.

29.3 The Parties undertake to cooperate with each other to provide information and documentation, within a reasonable amount of time, in order to allow the other party to comply with the Data Protection Legislation.

29.4 Upon termination of the contractual relationship, for whatever reason, the Parties undertake to delete or return all of the Data and any copies, in whatsoever format, with the exclusion of personal data which they are obliged to keep in accordance with applicable law as well as in relation to a legitimate interest of one of the Parties. The Parties shall be entitled to conduct checks to verify compliance with this clause and with the Data Protection Legislation by requesting that said compliance be documented according to methods agreed upon by the Parties.

29.5 Provisions on the protection, confidentiality and security of the Data shall remain in effect even after the termination of the contractual relationship for whatsoever reason. It is hereby understood that any failure by the Supplier to fulfill the terms of this clause shall result in the termination of the contractual relationship by law, without prejudice to the right to compensation for any and all damages suffered by the Purchasing Company as a result of the Supplier's nonfulfillment.

29.6 If in the performance of the Services subject to these General Conditions the Supplier performs personal data processing activities, meeting the requirements of experience, capacity and reliability set forth by the reference legislation, the latter undertakes to perform the Services in compliance with the aforementioned legislation. To that end, the Purchasing Company undertakes to appoint the Supplier as Data Processor with a dedicated letter which shall constitute an integral and substantial part of these Conditions. It is hereby understood that any failure by the Supplier to fulfill the terms of this article and/or in the appointment as Data Processor mentioned above, shall result in the termination of this contract by law, without prejudice to the right to compensation for any and all damages suffered by the Purchasing Company as a result of the Supplier's nonfulfillment.

Place _____ date _____

_____

(Supplier's signature and stamp)

The Supplier declares to expressly approve the following clauses: Art. 2 Validity and acceptance of these General Conditions; Art. 3 Orders; Article 5 Supply of Goods and/or Services. Acceptance; Art. 7. Documentation and quality requirements; Art. 10 Subcontracting; Art. 11 Health and safety risks; Art. 12 Warranty; Art. 14 Terms of payment; Art. 15 Offsetting; Article 16 Protection of the trademark, models or drawings or know-how provided by the Purchasing Company, and/or its Customers and/or other VW Group Companies; Art. 21 Compliance with regulations; Art. 23 Force majeure; Art. 25 Early cancellation; Art. 27 Applicable law. Jurisdiction; Art. 28. Audit.

Place _____ date _____

_____

(Supplier's stamp and signature)