



**GENERAL TERMS AND CONDITIONS- NORTH AMERICA
SERVICES
(2022 Edition)**



1. DEFINITIONS

1.1. In these General Terms (as defined hereunder) the following terms have the meanings ascribed to them as follows:

1.1.1. **Affiliate:** means any company, or other legal entity, directly or indirectly Controlling, Controlled by, or under common Control with another company or legal entity;

1.1.2. **Closed Order:** A written request and/or a written Order issued by the Purchaser and sent to the Supplier by post or internet electronic file transfer, containing the binding request to execute the Services which sets forth the specific terms and conditions for the performance of the Service and which fully incorporates these General Terms, the Open Order if applicable, the Specifications and any specific Contracts/written agreements between the Parties;

1.1.3. **Contract:** either: (I) a Closed Order which includes the Specifications and the acceptance of the same by the Supplier, whether expressly or by conduct implying an intent (such as, by way of example and not of limitation: if the Supplier starts execution of the Service), without modifications, exceptions and/or conditions of any kind, except as agreed in writing between the Parties and/or (ii) a specific contract/written agreements between the Parties that include the Specifications and these General Terms;

1.1.4. **Control:** the terms "Controlling", "Controlled" and "Control" mean (i) ownership, direct or indirect, of more than fifty (50) percent of the voting rights in a legal entity, or (ii) the power to appoint or elect a majority of the directors of in a legal entity, or (iii) the power to direct the management of a legal entity. Any such legal entity shall be considered an Affiliate for only such time as such voting rights or powers are maintained;

1.1.5. **Final Report:** where provided in the Contract, the report prepared by the Supplier, based on a model agreed with the Purchaser and delivered to the latter on the conclusion of the Service, by which the conclusion of the Service is notified with a comprehensive summary of all activities performed;

1.1.6. **General Terms:** These General Terms for the Provision of Services;

1.1.7. **Monthly Report:** where provided in the Contract, the report prepared by the Supplier, based on a model agreed with the Purchaser and delivered to the latter by the twentieth (20th) day of each month, containing all the information, data and details necessary to verify the correct performance of the Services and further details reasonably required by the Purchaser, as set forth in Article 11;

1.1.8. **Open Order:** a written Order issued by the Purchaser and sent to the Supplier by post or internet electronic file transfer containing the non-binding forecast of the requested Services and the general terms and conditions referring to the performance of the Services (by way of example and not of limitation: the maximum yearly forecasted amount; the price list as agreed by the Parties, the nature of the Services) and that includes these General Terms as well as the Specification;

1.1.9. **Order Variation:** written instructions issued by the Purchaser and accepted by the Supplier in writing or by conduct implying an intent (such as, by way of example and not of limitation, if the Supplier begins to perform the Service) to introduce a modification or variation to a Service being provided pursuant to Article 10;

1.1.10. **Order:** Open Order and/or Closed Order;

1.1.11. **Party/Parties:** the Purchaser and/or the Supplier;

1.1.12. **Price:** the amount stated in the Contract that the Purchaser shall pay to the Supplier as the all-inclusive consideration for the performance of the Service, including safety costs and net of VAT and any other applicable taxes;

1.1.13. **Provision(s) of Law on Safety and Environmental Protection:** any provision sanctioned by a Provision of Law that the Supplier is obliged to comply with and implement in relation to its employees concerning: (i) the workplace safety, or similar legislation in force in the Country where the Service is provided pursuant to Article 28, and (ii) legislation on the environment and the prevention of pollution caused by industrial activities;

1.1.14. **Provision(s) of Law:** All laws and regulations in force at the time of signature of the Contract and applicable throughout its period of performance, therein including, but not limited to: (i) Provisions of Law on Safety and Environmental Protection, (the laws of the Country where the



Service is provided pursuant to Article 28;

1.1.15. **Purchaser/MARELLI:** means Marelli North America Inc. and its Affiliates, and Marelli Ride Dynamics Mexico S. de R.L. de C.V.;

1.1.16 **Purchaser Personal Data:** means the information, in any form, that is provided to Supplier by or on behalf of the Purchaser that alone, or in combination with other information: (a) is considered personal data or personal identifiable information under the applicable data privacy laws; or (b) identifies or could be reasonably used to identify an individual data subject, including names, addresses, email addresses, telephone numbers, tax code , government identification numbers or any other personally identifiable information;

1.1.17. **Quality Standards:** the minimum standards of quality, efficiency and cost-effectiveness of Service as specified in the Contract, which the Supplier must comply with throughout the term of the Contract;

1.1.18. **Service(s):** all the activities that the Purchaser requires to the Supplier in a specific Contract and specifically identified therein;

1.1.19. **Specifications:** all contract documents prepared by the Purchaser on the qualitative, technical, functional and reliability characteristics of requested Services, including technical and quality standards, diagrams, plans, procedures, guidelines and similar documents prepared by the Purchaser in relation to the provision of the Services;

1.1.20. **Subsidiaries:** means companies in which another company has, directly or indirectly, the majority of votes exercisable at a shareholders' meeting;

1.1.21. **Supplier:** means the company or other entity subscribing these General Terms and/or a separate Contract for the supply of the Service and/or to whom an Order is addressed by Purchaser.

2. SCOPE OF THE GENERAL TERMS

2.1. The purpose of these General Terms is to establish the terms and conditions that, together with the specific conditions set out in a relevant Contract, if any, shall govern the performance of the Services.

2.2. These General Terms, as supplemented by a specific Contract, if any, contain the only terms and conditions under which the Purchaser intends to entrust the performance of the Services to the Supplier.

2.3. Any of the Supplier's general conditions for performance of Services, any terms and conditions set out in the offer or Order acceptance or other documents submitted by the Supplier shall not apply and shall in no case be considered an integral part of these General Terms and/or the Contract. The Supplier expressly waives the right to assert such other terms and conditions, unless written acceptance thereof is given by the Purchaser.

2.4. These General Terms shall enter into force and effect starting from the date on which the Supplier signs them and shall apply to any Contract already in progress at that date or, if concluded subsequently, that expressly refers to these General Terms.

2.5 In the event of any conflict or discrepancy between the General Terms and specific commitments for services as otherwise agreed in writing by the Parties, these General Terms shall prevail. Supplier fully accepts these General Terms, and expressly disclaims all its own general terms and conditions of wherever they are quoted. Supplier further agrees that if Supplier supplies goods and/or services to any affiliate of MARELLI in another jurisdiction, then the general terms and conditions of such affiliate or MARELLI shall be applicable.

2.5. The Purchaser conducts business with suppliers in different countries around the world ("Countries"). There may be Countries where Purchaser has adopted Country-specific general purchasing terms and conditions ("Local GTCs"). The Local GTCs, where existing with reference to a specific Country, shall apply to any and all Purchaser's Subsidiaries incorporated under the law of the Country to which the Local GTCs make reference to, and to their respective local Suppliers. In such case the Local GTCs, where specifically countersigned by the local Supplier, shall prevail over these General Terms in order to regulate relations between Purchaser and Supplier in the referenced Country.



3. ENTRUSTING THE SUPPLIER FOR THE PERFORMANCE OF THE SERVICES

3.1. The Purchaser entrusts the Supplier with the task of performing the Services by means of the conclusion of a specific Contract and the Supplier accepts such entrustment on the basis of the terms and conditions of these General Terms and of the relevant Contract. the Purchaser does not assume any obligations in any Orders or subsequent Contracts. Any estimates that may be provided or that shall be provided by the Purchaser in relation to the the Service shall be considered as purely indicative, non binding and shall not imply any obligation and/or warranty on the part of the Purchaser.

4. AUTONOMY AND INDEPENDENCE OF THE SUPPLIER

4.1. By entering into the Contract, the Supplier represents and warrants the following:

4.1.1. Supplier represents and warrants that it shall provide Services equal to or, at the very least, comparable standards and practices of industry leaders as compared to like services within the applicable industries,

4.1.2. that it has carefully assessed and accepted: (i) the specific quality, technical, service and reliability specifications/standards required by the Purchaser pursuant to the Contract, and (ii) its ability to perform the Service in full compliance with these General Terms and the Contract itself;

4.1.3. that at the time of entering into the Contract, it is in possession of all licenses and/or administrative authorizations necessary for the performance of the Service subject to the Contract;

4.1.4. that it owns: (i) adequate personnel in terms of numbers, experience and technical knowledge, (ii) facilities/equipment that meet the requirements established by Provisions of Law on Safety and the Environment, with technical specification/standards adequate to the specific nature of the Service and the workplaces in which they are to be used, and (iii) all resources, including financial resources, necessary for the performance of the Service;

4.1.5. that it is solely liable for its methods of organization, using its own means and resources for the performance of the Service, without any relationship of employment and/or subordination to the Purchaser;

4.1.6. that at the time of entering into the Contract, it was aware of all the technical and safety information indicated in the Contract that are necessary for the performance of the Service, and that it undertakes to perform the Service in accordance with said information and the Provisions of Law;

4.1.7. that it shall provide and update all documents necessary and/or useful to the Purchaser to assess the technical/professional skills of the Supplier (including, by way of example and not of limitation: safety costs, the number of injuries to workers in the last three years, etc.);

4.1.8. that it ensures that its employees shall receive remuneration not less than that established by any contractual provisions of a collective nature applicable in the Country where the Service shall be provided and to scrupulously comply with all the obligations and duties arising from such agreements. In particular, with respect to the performance of the Service, the Supplier undertakes to: (i) use exclusively personnel duly employed in accordance with the Provisions of Law, with a prohibition on the use, even temporarily, of persons who do not possess any authorizations and permits that may be required by law, and (ii) comply with all formalities relating to social security and insurance contributions for its employees and, if required, third party collaborators as provided by law;

4.1.9. Supplier guarantees that all legal, economic, insurance, social security and contractual charges, and charges of any other nature arising from the employment relationship with its personnel and its third party collaborators, are and shall remain its own full and sole responsibility. Specifically, in the event of any judicial or extrajudicial action, demand or claim brought against the Purchaser by the Supplier's employees and third party collaborators or by social security bodies or tax authorities, the Supplier shall, also after the expiry of the Contract, undertake to: (i) intervene promptly to remedy any alleged default or irregularities, (ii) provide the Purchaser with any



necessary information and documentation, (iii) hold the Purchaser fully harmless from any claims and/or action brought by the aforementioned parties in relation to activities related to the Service, and (iv) reimburse the Purchaser for any costs and expenses incurred as a result of such actions, hereby authorizing the Purchaser to compensate the sum of fees and charges borne by the Purchaser from whatsoever amount due to the Supplier;

4.1.10. that it shall provide every 3 (three) months, and in any case on the simple request of the Purchaser, any data and information necessary for knowledge of the contractual, remunerative, contributory and insurance situation (hereinafter the "Obligatory Contractual Documentation") of its employees and third party collaborators, or other equivalent document in the Country where the service is performed).

4.2. Pursuant to the following Article 13.1 the Purchaser reserves the right to suspend the payment of the Price at each individual deadline in the event that the Obligatory Contractual Documentation is not produced or is not suitable for its intended purpose. In such cases, the Purchaser reserves the right to request the Supplier, which hereby accepts, to issue a mandate to a qualified intermediary indicated by the Purchaser itself to verify the regularity of the remunerative, contributory and compulsory insurance position of its employees and third party collaborators with social security bodies or tax authorities. Without prejudice to the Supplier's obligations as provided in Article 4.1.9, if an irregular remunerative, contributory or insurance position vis-à-vis its employees or third party collaborators is revealed as a result of such a review, the Supplier shall undertake to: (i) act promptly to remedy any default or irregularity ascertained, and (ii) to hold the Purchaser harmless from any costs or expenses incurred in connection with the said verification in addition to any sum that may be due pursuant to Article 4.1.9.

4.3. During the term of the Contract, the Supplier undertakes to provide the Purchaser with all information of a financial nature that the Purchaser may reasonably request in order to assess and monitor the continuous ability of the Supplier to perform the Service correctly and within the established deadlines, therein expressly including approved and, where possible, audited financial statements.

4.4. The Supplier shall cooperate with the Purchaser and with its employees, representatives and consultants in order to comply with any reasonable instruction, request or direction that the Purchaser may issue in relation to a Contract and the performance of the relevant Service, including in the event of Order Variation.

4.5. Any conduct on the part of the Supplier that does not conform to the above representations and warranties: (i) shall not in any manner exempt the Supplier from any liability established in these General Terms and/or in the Contract, and (ii) shall give rise to an obligation on the Supplier to hold the Purchaser harmless from any damage that may arise from the Supplier's failure to fulfill its representations and warranties.

4.6. The Supplier recognizes and acknowledges that compliance with the provisions of this Article 4 constitutes an essential condition for the Purchaser to enter into the Contract and consequently that the Purchaser may suffer damages, losses, costs and expenses as a result of any whatsoever breach of its obligations pursuant to this Article 4. The Purchaser therefore reserves the right at any time to verify the proper fulfillment of the contractual obligations hereby undertaken by the Supplier under this Article 4 and, subject in any case to payment and indemnification by the Supplier for damages losses, costs and expenses suffered by the Purchaser, the Purchaser shall have the right to terminate the Contract according to Article 22 if, as a result of such a verification, a breach of the Supplier of its obligations provided for in this Article 4 have been ascertained.

5. OBLIGATION OF THE SUPPLIER TO COMPLY WITH PROVISIONS OF LAW ON SAFETY AND THE ENVIRONMENT

5.1. The Supplier undertakes to comply with the Provisions of Law on Safety and Environmental Protection during the performance of the Service.

5.2. In the event that the Service is to be provided at the Purchaser's premises or manufacturing facilities, the Supplier undertakes to comply and ensure the compliance by its employees, third



party collaborators and subcontractors with all instructions and guidelines issued by the Purchaser on any specific risks existing in the environment in which it is required to operate and to comply with preventive and emergency measures adopted by the Purchaser to prevent such risks.

5.3. According to Article 5.2, the Supplier undertakes to comply with and ensure the compliance by its employees, and any third collaborators and subcontractors, with all Provisions of Law on Safety and the Environment.

5.4. By entering into the Contract, the Supplier confirms that, as agreed with the Purchaser, the Supplier inspected the premises where the Service shall be executed in order to assess requirements for the execution of the Contract without causing any hindrance to normal production activities and to prepare, in consultation with the Purchaser, any security plan, analysis and documentation that the Supplier, either alone or together with the Purchaser, must produce in order to comply with any whatsoever Provision of Law.

5.5. Supplier agrees to fully comply with the current legislation regarding the protection of the environment and health and safety at work in the choice of the supplier and in the conclusion of the contract with the supplier. Supplier agrees to (i) choose its contractors by carrying out an accurate assessment of its technical and professional suitability for the execution of the contract in a workmanlike manner and in full compliance with the safety of workers, (ii) perform an interference risk assessment or identify the risks for the health and safety of workers and processes (which has to be updated if any new risk arises), (iii) provide for suitable safety measures to eliminate or minimize such interference risks and the relevant costs associated with such measures. The way in which these obligations have to be fulfilled and the relevant documents which have to be drawn up will be agreed and indicated in the relevant agreement between Purchaser and Supplier, in compliance with the applicable legislation. The agreement shall provide for the ability for Purchaser to have Supplier replace contractors with alternative subcontractor in the event of its material breach of applicable legislation regarding environment, health and safety.

5.6. In addition to the above provisions, the Supplier shall undertake to notify the Purchaser of any accident involving its employees and/or third party collaborators and/or any subcontractors duly authorized in writing by the Purchaser that occurs during the performance of the Service, within 3 (three) days of its occurrence, specifying the cause, manner and severity of the event together with any inspections and verifications carried out by the relevant public authorities.

5.7. The Supplier shall keep the Purchaser constantly informed of any clinical and administrative developments arising from the industrial accident.

5.8. Upon entering into the Contract, the Supplier shall indicate to the Purchaser its own representative responsible for fulfillment of the obligations set forth in this Article 5, and to issue to its personnel the necessary identification documentation for access to the Purchaser's manufacturing facilities (hereinafter called the "Facilities"). The Supplier undertakes to comply and ensure the compliance by its employees, third party collaborators and any subcontractors, with the regulations on the access to the Facilities that the Purchaser shall provide the Supplier with, at the time in which the Purchaser release to the Supplier the authorization to enter in the Facilities and the Supplier issues the related identification documents to its employees.

5.9. Unless otherwise agreed by and between the Parties, during the execution of the Contract, the Supplier shall, at its own risk and expense dispose of the waste generated by the performance of the Service, as the producer of such waste, after storing them in an appropriate area indicated and made available by the Purchaser within its Facilities, or to deliver it directly to third parties authorized to transport and dispose of such waste in accordance with applicable Provisions of Law on Safety and Environmental Protection, subject to the written consent of the Purchaser to enter in the Facilities.

5.10. Any failure by the Supplier to comply with the obligations established at this Article 5 shall entitle the Purchaser to terminate the specific Contract according to Article 22.

6. SERVICE LEVEL AND PENALTIES



6.1. It is the obligation of the Supplier to perform the Service in accordance with: (i) the Contract, (ii) the Specifications, and (iii) the Quality Standards defined in the specific Contract, in accordance with all Provisions of Law.

6.2. For the entire period of validity of the Contract, the Purchaser shall have the right to inspect the Quality Standards, the compliance with the Specifications and the fulfillment of the Service provided, at any time, without prior notice and if necessary also accessing the Facilities where the Service is performed, as agreed with Supplier.

6.3. If as a result of the inspections carried out as set forth in Article 6.2, the Purchaser ascertains that the Service is not being performed by the Supplier according to industry standards, the Quality Standards and Specifications and/or the terms of the Contract and these General Terms, the Purchaser shall send a written notice to the Supplier providing a reasonable period not exceeding 7 (seven) days, (hereinafter "Grace Period 1"), to remedy the cause of irregularities / deficiencies / anomalies ascertained (hereinafter the "Anomaly").

6.4. Upon the expiry of the Grace Period 1, if the Anomaly has not been remedied, the Purchaser shall grant the Supplier an additional period of 20 (twenty) days, (hereinafter "Grace Period 2") to remedy the Anomaly having the right to apply a penalty of 1% of the total Price of the Services or, if the Services are expected to continue in the long term, the annual Price of the Service to which the Anomaly refers to, for each day of delay with respect to Grace Period 1. Upon the expiry of the Grace Period 2, if the Anomaly has not been remedied, the Purchaser reserves the right to terminate the relevant Contract pursuant to Article 22, without prejudice to any right to seek payments and indemnification for greater damages, losses, costs and expenses. In such cases, except as provided in Article 22, the Purchaser shall not be required to grant the Term pursuant to Article 22 and the termination shall be effective from the date of dispatch of the notice by the Purchaser indicating its intention to terminate the Contract as set forth by this Article 6.

6.5. The penalties established in this Article shall be subject to financial compensation between the Parties according to Article 13.1(ii).

7. SERVICE GUARANTEES

7.1. In the event that during the performance of the Service, the Supplier services, , repairs, or perform services activities involving an asset belonging to the Purchaser, (hereinafter the "Asset"), the Supplier, without prejudice to the guarantee of the Asset, undertakes to provide the Purchaser with an appropriate guarantee, for a minimum period of 24 months, covering the consumables, parts and functionality of the Asset as a whole.

8. LIABILITY OF THE SUPPLIER

8.1. The Supplier shall be liable for any damage caused, directly or through its employees, agents or third party subcontractors or in any way caused to the Purchaser, its employees, third parties and/or property during the execution of the Contract.

8.2. The Supplier shall hold harmless, release, defend and indemnify Purchaser, its affiliates, successors, contractors, shareholders assigns and their customers from any and all claim of any nature, made by whomsoever, against the Purchaser arising from the acts, facts or omissions indicated above. In addition to what is specified elsewhere in this General Terms, Seller shall indemnify, defend, release and hold harmless Purchaser, its affiliates, successors, contractors, shareholders assigns and their customers, in full against all loss, liability, damages, costs and all expenses, including attorney fees and expert fees, arising directly or indirectly out of Seller's performance of work hereunder, including but not limited to claims, actions or lawsuits alleging:

- a. personal injury, property damage or economic damage;
- b. any violation by Supplier of any law, rule or regulation applicable to Seller or Seller's business, facilities or operations;
- c. any act or omission of Supplier or its employees, agents or sub-contractors in the course of



performance of or delivering the Services, including any injury, loss or damage to persons caused or contributed to by any of their negligence; or

d. any other claims resulting from the acts or omissions of Supplier or its employees, agents or sub-contractors.

8.3. It is nevertheless understood that the provisions of Article 22 shall be applied in the event of non-fulfillment by the Supplier of its obligation as set forth in this Article 8.

9. INSURANCE POLICY

9.1. The Supplier shall, by means of an appropriate insurance policy with a leading insurance company approved by the Purchaser, provide coverage for all risks of civil liability, theft, fire, direct and/or consequential damage to the Purchaser's employees, third parties and/or goods in any way related to the execution of the Contract.

9.2. Supplier shall submit to Purchaser, on yearly basis, the insurance certificates and the insurance premium payment receipts issued by the insurance company.

9.3 The existence of such insurance policies will not release Supplier from any of its obligations or liabilities under this General Terms and/or the Supply Agreements and/or the applicable law.

10. MODIFICATIONS AND CHANGES OF THE ORDERS

10.1. The Purchaser shall, at any time throughout the entire period of validity of the Contract, have the right to request an Order Variations by written communication. The terms and conditions of the Order Variation, therein including but not limited to those relating to Price, delivery terms and implementation methods, shall be the subject to a prior written agreement between the Parties which shall be set out in the relevant Order Variation.

11. REPORTING

11.1. The Supplier undertakes to prepare and forward to the Purchaser a Monthly Report by the twentieth (20th) day of each month and, upon conclusion and completion of the Service, a Final Report summarizing all activities performed in compliance with the provisions of the Contract.

11.2. Any delay in providing the Monthly Report or Final Report shall result in the Supplier being unable to issue the relevant invoices until all the missing documentation is forwarded to the Purchaser.

11.3. Once the Monthly Report and/or Final Report has been received by the Purchaser, the Purchaser shall have twenty (20) days to review and approve it or to notify the Supplier in writing of any anomalies or irregularities detected. The Supplier may proceed to issue the relevant invoice if: (i) the period indicated has elapsed without the Purchaser raising any objection as to the completeness and correctness of Monthly/Final Report it has received, or (ii) the Purchaser has already issued its written approval to the Supplier for the invoicing of the Service performed, it being understood that the events mentioned in paragraphs (i) and (ii) above constitute merely the acceptance of the material description of the Services contained in the Monthly and/or Final Report and an essential condition for the issuance of the invoice by the Supplier.

11.4. It is furthermore understood that the issuance of said approval may not in any manner be construed and interpreted, expressly or implicitly, as a waiver by the Purchaser of any right provided for by these General Terms, the Contract, and/or applicable Provision of Law, including in relation to any future dispute concerning the relevant invoices.

12. PRICE

12.1. The Price shall be indicated in the specific Contract and shall be understood as fixed and not



subject to change unless it is the result of an Order Variation. In such case, the provisions of Article 10.1 shall apply.

12.2. Any safety costs arising from measures adopted to eliminate or reduce the risk of interference will be specifically indicated in the interference risk assessment report in accordance to Article 5.5 and/or in the relevant Contract.

12.3 The parties agree and acknowledge that provisions related to the financial and economic aspects of the Purchase Order and Supply Agreements may be revised by Purchaser as a consequence of currency exchange rate variations or other factors that could have unintended economic impacts related to the profitability of the project or otherwise.

13. TERMS OF PAYMENT AND INVOICING

13.1. The Purchaser: (i) undertakes to pay the Price to the Supplier following receipt of the relevant invoice, according to the terms of payment set forth in the specific Contract, (ii) is entitled to the financial compensation of any amount due to the Supplier at any time against amounts due by the Supplier to the Purchaser for any reason whatsoever, and (iii) is entitled, in the event of failure by the Supplier to fulfill any of its obligations, to suspend payment of portion of the Price as may be due, notifying the Supplier in writing of any such suspension.

13.2. When invoicing the Price, or part thereof, the Supplier must include in the relevant invoice(s): (i) the number of the Contract, (ii) the date of the Contract, and (iii) any further information required for this purpose in the Contract.

13.3. Each payment made by the Purchaser, according to this Article and this General Terms and Conditions, shall not constitute acceptance or recognition of the fact that the Supplier has adequately and correctly performed of the Service.

14. COMPETITIVENESS OBLIGATIONS

14.1. Throughout the entire period of validity of the Contract, the Supplier undertakes to guarantee the competitiveness of the Service with respect to the market competitors in terms of quality, reliability, and remuneration.

14.2. The Purchaser shall have the right to verify that the levels of competitiveness of the Service provided by the Supplier are consistent with the average of the quality, reliability, and remuneration for the same or similar services offered by the market competitors. If as a result of such verifications the Purchaser ascertains that the Service is uncompetitive, the Purchaser shall promptly notify the Supplier in writing, indicating the best offer received for the provision of the same or similar services.

14.3. By means of the written notice indicated in Article 14.2, the Purchaser shall grant the Supplier a period of not less than 30 (thirty) days for the Supplier to comply with the terms of the best offer of which it has been informed. In the event upon the expiry of such a period, the Supplier does not accept to revise the Service condition according to such a best offer indicated by the Purchaser, the Purchaser shall have the right to terminate the Contract immediately by simple written notification according to Article 22 of these General Terms, provided that the Supplier shall not have any right to claim to the Purchaser any damages and/or compensation of any kind.

15. TEMPORARY INTERRUPTION OR REDUCTION OF THE PURCHASER'S ACTIVITIES

15.1. The Parties agree that in the event of a reduction or temporary interruption of the productive activities of the Purchaser for any reason, including, by way of example and not of limitation the placement of employees on ordinary or extraordinary temporary lay-off and periods of closure of offices and Facilities, the Supplier shall undertake to adapt the Service as required by the Purchaser's productive activities, planning and organizing its own corporate activities (materials, equipment and labour) according to the specific requirements of the Purchaser as indicated by the



Purchaser itself.

15.2. In the event of a period of reduction in the productive activities of the Purchaser, the Supplier shall only be entitled to receive payment of a proportionally reduced Price according to the Service actually performed, excluding any further right to damages and/or compensation for any direct or indirect costs and expenses that the Supplier declares that it has sustained for any whatsoever reason during such a period.

15.3. In the event of a temporary interruption of the Purchaser's productive activities, the Supplier shall, on the Purchaser's instruction, suspend the performance of the Service for the entire period indicated by the Purchaser and shall not be entitled to receive payment of the Price or of any whatsoever damages and/or compensation for direct or indirect costs and expenses that the Supplier declares that it has sustained for any whatsoever reason during such a period. In the event that the interruption of the Purchaser's production activities elapses continuously or cumulatively for more than six (6) months in any year, the Supplier shall have the right to terminate the Contract, providing a three (3) months prior written notice and obtaining from the Purchaser the payment only of a Price that is proportionally reduced according to the Service actually performed, until the date of termination of the Contract, thereby excluding any further right of the Supplier to any damages and/or compensation for direct or indirect costs and expenses that the Supplier suffered for any whatsoever reason during such a period.

16. NO ASSIGNMENT OF CREDIT

16.1. The Supplier undertakes not to sell, transfer or assign to third parties any credit which it may claim from the Purchaser on the basis of payment for the Service to be provided to the Purchaser pursuant to a specific Contract, without the prior written consent of the Purchaser.

17. PREMISES AND EQUIPMENT OWNED BY THE PURCHASER

17.1. In the event that the Supplier is obliged to use premises and equipment which is the property of the Purchaser (hereinafter the "Property") in order to perform a Service subject to a specific Contract, such Property shall be made available to the Supplier on the basis of specific and separate agreements concluded as required between the Purchaser and the Supplier at the time of conclusion of the Contract.

18. NO ASSIGNMENT OF THE CONTRACT AND OF SUB-CONTRACTING

18.1. The Supplier shall not assign and/or subcontract the Contract or any whatsoever right and obligation arising therefrom to third parties, without the prior written consent of the Purchaser.

18.2. In the event that the Purchaser has given written consent to subcontract pursuant to Article 18.1 above, the Supplier: (i) undertakes, under its own responsibility, to select subcontractors only after verifying their technical and professional competence, financial reliability and their possession of the experience and expertise necessary to perform the part of their Service to be subcontracted; and (ii) undertakes to ensure that each subcontractor accepts and comply with these General Terms and the relevant Contract.

18.3. It is hereby agreed and understood that, in the event the Purchaser has given the written approval to subcontract, in any case, the Supplier shall be held liable and responsible together with its subcontractors towards the Purchaser for the compliance with the obligations and conditions set forth in these General Terms and the relevant Contract.

19. FORCE MAJEURE

19.1. Neither Party shall be responsible to the other by reason of failure to perform obligations hereunder to the extent that the failure to perform is caused by an act of God, natural disaster,



flood, fire, epidemic, pandemic, storm, earthquake, shipwreck, acts of public enemy, or acts or omissions of any sovereign government, branch or agency thereof and other similar events beyond reasonable control of the Party whose performance is prevented or interfered with. The affected Party shall promptly notify the other Party and shall not be responsible for its failure to perform any obligation required under this Agreement as a result of any of the foregoing. The Parties specifically agree that strikes and labor disputes at the Party whose performance is prevented or interfered with shall not be included in the Force Majeure events.

19.2 In case a firm order, Purchase Order, or Contract cannot be executed on schedule due to Force Majeure events, delivery terms shall be deemed to be postponed and a new delivery term shall be agreed upon between MARELLI and Supplier in relation to the specific situation (in this respect, it remains understood that the liability of Supplier is never excluded in case of a strike).

19.3 The application of this Article 19 is conditional upon Supplier promptly notifying MARELLI of the commencement of a Force Majeure event in accordance with the notice requirements outlined in the Service agreements and/or related Purchase Orders.

19.4 The application of this Article 19 is further conditional upon Supplier taking all necessary steps to avoid, end, or mitigate the effects of the force majeure event at Supplier's own expense and without any cost to MARELLI, including but not limited to Supplier arraigning and paying for: (1) any and all premium freight; (2) any and all broker costs; and (3) any and all cost differential from securing alternative sources of materials, goods or services. Supplier shall not be excused from performance hereunder where alternate sources of materials, goods or services are available.

19.5 Force majeure may not be invoked if it arises after expiration of the agreed delivery term.

19.6 Subcontractors delays shall not be considered force majeure events, unless it is proved that said delays are caused by force majeure.

19.7 If force majeure causes such a delay in delivery of Products not complying as to prevent compliance with MARELLI's production needs (production interruption), MARELLI shall have the right to engage Service from third parties. In the event that substitute Service must be acquired from an alternate supplier by Marelli, any and all cost differential from securing alternative sources of materials, goods or services shall be the sole obligation of Supplier.

19.8 Should the above measure as stipulated in Article 19.7 – in MARELLI's sole discretion - prove impossible to be put in place or unreasonably expensive, MARELLI shall have the right to terminate the Agreement with immediate effect. MARELLI's liability is excluded in case of circumstances out of MARELLI's control preventing receipt of deliveries or reducing the need of Services.

19.9 Notwithstanding the foregoing, it is hereby agreed that, MARELLI shall, at its discretion, have the right to, after ten (10) days of the occurrence of force majeure events, cancel the firm order effective immediately, through a Notice to Supplier.

20. INTELLECTUAL PROPERTY

20.1. Any information, data, know-how, patents, patent applications and statutory invention registrations, improvements such as any extension, new application, adaptation or further development of the know-how, any technical, economic, commercial or administrative data, written or oral as well as any product designs, drawings inventions, documents, magnetic support, product or material sample that the Purchaser may have delivered to the Supplier for the execution of the Service as provided for in the Contract are and shall remain of the exclusive property of the Purchaser and shall be used by the Supplier solely for the execution of the Service as set forth in the Contract.

20.2. The Purchaser shall acquire the exclusive and unlimited ownership of any technical result of the Services (hereinafter referred to as "Technical Result") together with the related intellectual property rights at the time the same is executed by the Supplier during the performance of the Contract.

20.3. The Purchaser shall have the right, at its own discretion, to proceed to the registration of



such a Technical Result as patent and the Supplier hereby undertakes to cooperate with the Purchaser, if requested by the Purchaser.

20.4. Should the Supplier use in the Technical Results of the Service any intellectual property rights that is not its property, the Supplier hereby undertakes to:

20.4.1. guarantee, by providing adequate documentation, to have obtained the prior consent to use such a third parties' intellectual property rights; and

20.4.2. hold the Purchaser harmless and indemnified from any and all third party claims relating to or in connection with any third parties intellectual property rights infringement in the development and execution of the Technical Result of the Service performed according to the Contract.

20.5. Should the Supplier use in the Technical Results of the Service any existing intellectual property rights that is of its property at whatsoever title, developed and/or acquired prior to the and independently from the Contract, the Supplier hereby grants to the Purchaser a non-exclusive, perpetual, royalty-free, sub licensable, world-wide, licence to use, have used, produce, have produces, sell, offer for sale, maintain such Technical Result.

20.6. The Price shall include any intellectual property right, assign, transfer or licensed as set forth in the Contract and in these General Terms.

20.7. In case the Supplier uses software or components/modules with software embedded, Supplier shall provide to Purchaser a complete bill of material (also known as BOM) including the list of any free and open source software (also known as "FOSS") included in its products. In any case Supplier warrants that it shall comply with the Purchaser FOSS policy (details of which may vary from Product to Product, as specified on a need basis).

21. TERMINATION DUE TO BREACH OF CONTRACT

21.1. The Purchaser shall have the right to terminate any Contract in the event of breach by the Supplier of any of its obligations set forth in the Contract, by giving a prior written notice to the Supplier granting a reasonable period, in any case not exceeding 30 (thirty) days from the receipt of such a notice (hereinafter the "Term") to remedy said breach.

21.2. For this purpose, representatives of the Parties shall meet as soon as possible during the Term to reach agreement on appropriate measures to remedy the breach. In any event, any impossibility of reaching agreement shall not in any manner invalidate or reduce the obligation of the Supplier to remedy said breach.

21.3. In the event that it is not possible for the Supplier to remedy the breach within the Term, the Purchaser shall, on expiry of the Term, have the right to terminate the Contract by notifying the Supplier in writing. The date of the said notification shall be considered as the date of termination.

21.4. The termination of any specific Contract, as per this Article 21, shall not prejudice any rights that the Purchaser may claim against the Supplier. Any condition which expressly or implicitly has effect after the termination shall continue to have effect notwithstanding the termination.

22. TERMINATION DUE TO SPECIFIC CAUSES OF BREACH OF CONTRACT

22.1. The Parties agree that the Contract shall be terminated automatically by simple written notice from the Purchaser to the Supplier in which the Purchaser declares that it invokes this termination clause, and without prejudice to the Purchaser's right to compensation for damages, losses, costs and expenses in cases in which the Supplier commits a breach of any term or condition set forth in Articles 4, 5.1, 5.2, 5.3, 5.5, 5.7, 8.2, 8.3, 14.3, 15, 18, 19, 25, 26 and 27 of these General Terms.

23. TERMINATION FOR CONVENIENCE

23.1. The Purchaser shall have the right to terminate for convenience any specific Contract at any



time and for any reason by giving a prior 30 (thirty) days written notice, subject to compliance with the mandatory terms required by any Provision of Law, starting from the date of receipt of such notice (hereinafter referred to as "Notice Period"). The termination for convenience shall take effect on expiry of the Notice Period (hereafter the "Effective Date of Termination").

23.2. In the case provided for in Art. 23.1, the Purchaser shall pay the Supplier the Price for the Service actually performed until the Effective Date of Termination. It is understood that the Supplier will not have any further right to claim any damages and/or compensation for direct or indirect costs and expenses that the Supplier may have suffered.

24. CONSEQUENCES OF TERMINATION

24.1. Any termination of the Contract as provided in Articles 21, 22 and 23 shall not prejudice any rights that the Purchaser may claim against the Supplier. Any conditions that implicitly or explicitly have effect after termination shall continue to produce such effects notwithstanding the termination.

25. CHANGE IN THE ORGANIZATIONAL AND CORPORATE STRUCTURE OF THE SUPPLIER

25.1. The Supplier acknowledges that the decision of the Purchaser to enter into a Contract is on "intuitu personae" basis and is essentially based on a prior positive assessment of the professional, financial and managerial competence of the Supplier and its overall ability to ensure proper and timely performance of the Service.

25.2. The Supplier undertakes to promptly notify the Purchaser of any change in its organizational, corporate and managerial structure or in its shareholding structure and is aware that if the Purchaser, at its own discretion, deems that such changes substantially affect the ability of the Supplier to operate properly with the required professional, financial and managerial capacities and within established deadlines, it shall have the rights provided for in Article 22.

26. CONFIDENTIALITY

26.1. All information contained in these General Terms and in the specific Contract, together with information exchanged between the Parties shall be considered as confidential. MARELLI may disclose to its agents, consultants and engineering services' providers who reasonably need to know the confidentiality information related to the services provided, also without Supplier's consent.

26.2. The Supplier undertakes to: (i) refrain from disclosing and/or communicating to third parties, in whole or in part, in writing or verbally, any information provided to it by the Purchaser without the prior express written consent of the latter, and (ii) refrain from using such information for purposes other than the execution of the specific Contract.

27. CODE OF CONDUCT

27.2.1. The Supplier is aware of the provisions of the Code of Conduct (hereinafter "Code of Conduct") adopted by the Purchaser and downloadable from the web-site

https://www.marelli.com/public/uploads/2020/02/MARELLI_Code_of_Conduct_ENG.pdf where are set forth the basic principles and the business behaviors that the companies, directly or indirectly, controlled by MARELLI are committed to comply with in their business activities.

27.2.2. The Supplier acknowledges that the companies, directly or indirectly, controlled by MARELLI expect their suppliers to carry on their business in accordance with the above-referred principles and behaviors.



27.2.3. The Supplier shall perform its business activities in accordance with ethical standards and procedures similar to those provided for in the laws of the Country(ies) where it operates (included but not limited to bribery, money-laundering and any case of Corporate Liability), in the Code of Conduct, aimed to ensure the compliance with proper ethical levels in the performance of its own business activities.

27.3 The Supplier is aware that the Purchaser shall not further carry on business relationships with any supplier which does not comply with the provisions of the laws of the Country(ies) where its business activities are carried out and/or the Code of Conduct.

27.4 Any breach by the Supplier of the provisions of the organization, management and control model and/or the Code of Conduct shall constitute a breach of these General Terms according to Article 22 above.

28. APPLICABLE LAW AND RESOLUTION OF DISPUTES

28.1 Negotiation Phase. In the event that any dispute between the parties arises, the party raising the matter in dispute shall notify the other party in writing detailing the specific nature of the dispute. Thereafter, the parties shall negotiate in good faith in an attempt to reach a fair and equitable resolution of said dispute. At any time, either party may, at their own discretion, terminate this "Negotiation Phase" by providing the other party 10 days advance written notice.

28.2 Arbitration. Following the conclusion of the Negotiation Phase, under Article 28.1, either party may request the other to participate in binding arbitration by making a written request to the other party. The party receiving the written request to arbitrate shall have 14 days after receipt of such request to respond in writing as to whether it will agree to binding arbitration administered by the American Arbitration Association under its Commercial Rules in effect on the date of this Agreement. However, in the case of disputes relating to quality, quantities, delivery, payments, warranty, indemnification, any service action, and other topics contemplated by these General Terms and Conditions, Purchaser may unilaterally elect to arbitrate, at which time the parties shall submit to binding arbitration administered by the American Arbitration Association under its Commercial Rules in effect on the date of this Agreement. Prior to any unilateral election to arbitrate by Purchaser, the parties must have participated in the Negotiation Phase. Any arbitration proceedings shall be conducted in Michigan in accordance with the laws of the State of Michigan.

28.3.1 Litigation. In the event that a dispute has not been resolved within the Negotiation Phase, Litigation may be initiated, unless the parties arbitrate under section 28.2. In any litigation, the parties agree that the litigation will be filed in the State of Michigan. These General Terms and any agreements related to the Services shall be governed by and construed in accordance with the laws of the State of Michigan without taking into account its principles on conflicts of law. Any action, suit or other proceedings pursuant to, arising under, or touching or concerning these General Terms or any agreements related to the Services or the transactions contemplated hereby shall be brought in any federal or state court of competent jurisdiction in the State of Michigan. The parties agree to take any and all necessary or appropriate action to submit to the jurisdiction and venue of any such court. In any such action, suit or proceeding, (i) service of process may be certified mail, return receipt requested or any means permitted or provided by applicable law and (ii) the successful or prevailing party shall be entitled to recover its reasonable attorneys' fees and other costs incurred in connection with that action, suit or proceeding, in addition to any other relief to which such party may be entitled. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to these General Terms or any Supply Agreements.

28.3.2 Litigation (Mexico). In the event that a dispute has not been resolved within the Negotiation Phase, and such dispute arises between a Supplier's Mexico affiliate or subsidiary and Purchaser's Mexico entity, litigation may be initiated, unless the parties arbitrate under section 23.2. In such litigation, the parties agree that the litigation will be filed in Mexico City. These General Terms and Contract(s) shall be governed by and construed in accordance with the laws of Mexico without taking into account its principles on conflicts of law. Any action, suit or other proceedings pursuant to, arising under, or touching or concerning these General Terms or any agreements related to the Services or the transactions contemplated hereby shall be brought in any



federal or state court of competent jurisdiction in Mexico City. The parties agree to take any and all necessary or appropriate action to submit to the jurisdiction and venue of any such court. In any such action, suit or proceeding, (i) service of process may be by certified mail, return receipt requested or any means permitted or provided by applicable law and (ii) the successful or prevailing party shall be entitled to recover its reasonable attorneys' fees and other costs incurred in connection with that action, suit or proceeding, in addition to any other relief to which such party may be entitled. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to these General Terms or any Contracts.

29. MISCELLANEOUS PROVISIONS

29.1. Each right or remedy of the Purchaser provided for in these General Terms and/or a specific Contract shall not prejudice any other legal right of the Purchaser, whether or not provided for in these General Terms and/or each Contract.

29.2. Any conduct, including repeated conduct, of one of the Parties that does not correspond to one or more of the provisions of these General Terms and/or a particular Contract shall not in any manner prejudice the right of the other Party to request, at any time, the application of the said provisions.

29.3. Any failure or delay by the Purchaser to enforce, in whole or in part, any provision of these General Terms and/or any Contract shall not be interpreted as a waiver of those provisions.

29.4. All rights and remedies provided herein for the benefit of the Parties, or for each of them, shall be considered as an addition to, and not as an alternative, to any other right and action established by the Provisions of Law.

29.5. These General Terms shall apply to any Contract that the Parties enter into and which expressly refers to them, it being understood that in the event of any discrepancy between the provisions of these General Terms and those of any specific Contract, the provisions of the Contract shall prevail. Any amendments and variations to a given Contract shall be deemed valid and effective only if they are the result of a written document duly signed by a representative, vested with the appropriate powers, of each of the Parties.

29.6. In the event that any provision of these General Terms is deemed invalid, illegal, or unenforceable pursuant to the Provisions of Law applicable to these General Terms and the specific Contract, such invalidity, illegality or unenforceability shall not in any way extend to the other provisions hereof. The invalidity, illegality or unenforceability of a provision of these General Terms in a particular jurisdiction shall not render the said provision invalid, illegal, or unenforceable in any other jurisdiction.

30. PURCHASER PERSONAL DATA

30.1 If, in the course of providing the Services described herein, Supplier collects, transfers, or uses third parties' personal data (information that can be linked to a specific individual), Supplier acknowledges that such collection, transfer, or use may be governed by certain personal data protection laws, regulations, and industry standards. Should any sanctions (e.g., monetary fines or penalties) be imposed on Marelli by any government authority as a result of Supplier's failure to comply with its data protection obligations, Supplier shall reimburse MARELLI the full amount of such sanction within five (5) banking days of being notified by MARELLI of the sanction imposed.

30.2. In any case, the Supplier undertakes and warrants to hold harmless Purchaser from and against every objection, action or claim, brought by data subjects, due to the processing of personal data effected by the Supplier in breach of the provisions of all applicable data protection legislation.



| | |
|---|---------------------|
| SUPPLIER ENTITY: | |
| ACKNOWLEDGMENT, ACCEPTANCE AND EXECUTION BY THE AUTHORIZED SIGNATORY OR LEGAL REPRESENTATIVE OF THE SUPPLIER | |
| NAME | STAMP AND SIGNATURE |
| TITLE | |
| DATE | |