



1. Definitions

Unless otherwise defined, when used in the Contract the terms listed below have the following meanings.

“Affiliate” means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person; a Person shall be deemed to “control” another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise; and the term “controlled” shall have a similar meaning;

“Blanket Orders” means any written purchase order delivered by Buyer to Seller for the purpose of purchasing Products and associated services, if any, over a period of time, which may also include, without limitation, “*Ordini Quadro*”, “*Accordi Quadro*”, framework agreements and any similar document;

“Business Day” means any day other than a Saturday or a Sunday or a day which is a statutory holiday in the jurisdiction of the Buyer;

“Buyer” means the Westport Fuel Systems entity identified as the Buyer in the Purchase Order or the Blanket Order, as applicable;

“Contract” means the entire agreement between the Parties with respect to the supply of the Products and associated services, if any, as constituted by the documents referenced in Section 2(b) of these General Terms and Conditions;

“Delivery” means the arrival of the Products at the delivery point specified in the Purchase Order, and completion of any associated services, if applicable, and the acceptance by Buyer in full (without identifying any defects, deficiencies or rejections) of the applicable Delivery; “Deliver” or “Delivered” shall have the same meaning ;

“DDP” means “Delivery Duty Paid” as defined under Incoterms 2020 published by the International Chamber of Commerce;

“Governmental Authority” means any government, administration or regulatory authority, agency, board, body, commission, court or tribunal thereof, having, or purporting to have, jurisdiction in relation to the Contract or any Products or associated services;

“Intellectual Property Rights” means any right or protection existing from time to time in a specific jurisdiction, whether registered or not, under any patent law or other invention or discovery law, copyright law, performance or moral rights law, trade-secret law, confidential information law (including breach of confidence), trade-mark law, trade-name law, passing off, unfair competition law or other



similar laws and includes legislation by competent Governmental Authorities and judicial decisions under common law or equity, and for greater certainty includes the right to file any applications, and the right to claim for the same the priority rights derived from any applications filed under any treaty, convention, or any domestic laws of a country in which a prior application is filed;

“Losses” means any actions, injury, claims, liabilities, loss, damages, demands, penalties, fines, expenses (including actual legal expenses), costs, obligations and causes of action of every kind and nature whatsoever;

“Order Date” means the date of the Purchase Order;

“Parties” means Buyer and Seller;

“Person” is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization and a Governmental Authority;

“Purchase Order” means a written Purchase Order delivered by Buyer to Seller for the purpose of purchasing Products and associated services, whether singularly or pursuant to a Blanket Order;

“Products” means the product(s), if any, to be purchased by Buyer as described in the Contract, including the relative prototypes and samples and any associated services;

“Seller” means the Person identified as the Seller in the Purchase Order or Blanket Order, as applicable;

“Taxes” means all corporate, capital, value added, excise, products, sales, use, services, personal, employment and income taxes, government pension, social security, employment insurance contributions, duties (customs or otherwise) and other taxes, withholdings, penalties, interest and additions thereto;

“Tooling” means all tools, equipment, molds or designs created, developed, manufactured or customized at the request of Buyer for the purpose of producing the Products; and

“Value-Added Taxes” means any value added, products, services or sales taxes or other Taxes which are assessed to Buyer and required by law to be collected by Seller on a supply of Products, and associated services where applicable, , and which in the normal course of Seller’s business are not included and are not required by law to be included in the price for the Products and associated services where applicable and, for greater certainty, includes any Taxes collected by a Governmental Authority.

2. Nature of Agreement

(a) The Contract constitutes the entire agreement between the Parties with respect to the subject matter thereof and supersedes any previous agreement, understanding or communications between the Parties related thereto, excepting thereout any agreements executed between Buyer and Seller specifically dealing with restrictions on confidentiality and disclosure and use of confidential information and in which case those agreements shall continue in full force and effect and shall be interpreted as being



complementary to the Contract. No representation, inducement, promise, or agreement not specifically set out in the Contract shall be of any force or effect.

(b) The Contract consists of the following documents:

(i) The Purchase Order;

(ii) The Blanket Order, if any;

(iii) Any other document which is attached to, or incorporated by reference in, the Purchase Order and the Blanket Order, if applicable;

(iv) These General Terms and Conditions.

(c) If there is any conflict or inconsistency between the documents constituting the Contract, then unless otherwise expressly provided, the documents will rank in the order of precedence in accordance with the order in which they are listed in Section 2(b), provided, however, that, as a general principle of interpretation, any subsequent agreement and understanding shall prevail over any precedent agreement and understanding;

(d) The Contract shall be interpreted as a whole. The documents comprising the Contract are complementary and what is called for in any one shall be binding as if called for by all of them.

(e) The Contract shall not include any terms or conditions that are referred to, submitted by or otherwise used by Seller (including as part of the submission of any proposal, quotation, invoice or bill of lading) and such terms and conditions are not expressly approved by Buyer. Notwithstanding the foregoing, in the event that Buyer issues a Purchase Order or Blanket Purchase Order to Seller in response to a proposal or quotation provided by Seller, any terms and conditions contained in Seller's documentation that describe the specifications of the Products and any associated services shall form a part of the Contract. In the event of any conflict between such descriptions of the Products and any associated services in Seller's proposal or quotation and any other documents forming the Contract, the other documents shall prevail.

(e) Buyer shall not be liable for any claims or liabilities suffered or incurred by Seller as a result of Seller's reliance in any way upon any information given to it by Buyer, unless contained in the Contract.

(f) Unless otherwise provided, the Contract does not create an exclusive relationship between the Parties in respect of the Products or associated services or any aspect of thereof.

3. Blanket Orders

The Buyer and the Seller may enter into a Blanket Order pursuant to these General Terms and Conditions for the supply of Products, and any associated services, over a certain period of time.



The Buyer may utilize the Blanket Order by issuing Purchase Orders to Seller pursuant to the Blanket Order. All references to Purchase Orders within these General Terms and Conditions will also apply to the issuance of Purchase Orders pursuant to a Blanket Order unless expressly stated otherwise.

4. Acceptance

The Contract is not binding until accepted by Seller. The acceptance date of a Blanket Order or Purchase Order will be the earlier of: (i) the date Seller confirms acceptance in writing; (ii) the date Seller Delivers the ordered Products, even in the event of partial delivery, provided that in such event the whole order will be deemed as accepted, if applicable; (iii) five (5) Business Days after the Order Date unless Seller first rejects the Purchase Order in writing. Acceptance of the Blanket Order or Purchase Order confirms Seller's agreement to the terms and conditions of the Contract.

5. Volume Forecasts

Buyer may provide Seller with estimates, forecasts or projections of its future anticipated volume or quantity requirements for Products. Seller acknowledges that any such forecasts are provided for informational purposes only and, like any other forward looking projections, are based on a number of economic and business factors, variables and assumptions, some or all of which may change over time. Buyer makes no representation, warranty, guaranty or commitment of any kind or nature, express or implied, regarding any such forecasts provided to Seller, including with respect to the accuracy or completeness of such forecasts.

6. Supply of Products and Services

(a) Seller shall furnish all skills, labour, supervision, equipment, materials, supplies or facilities required to supply the Products and associated services in accordance with the Contract, as well as obtain and maintain all permits, licenses and/or regulatory requirements which may be required to authorize it to deliver the Products and associated services or otherwise satisfy its obligations pursuant to the Contract.

(b) In performing its obligations under the Contract Seller shall comply with our Code of Conduct, a copy of which can be accessed through our web site under the section of Corporate Governance and to the extent applicable, with all access, safety and other policies in effect at the site or sites where associated services, if any, are to be provided.

7. Ingredients and Hazardous Materials

Prior to, and together with, the shipment of the Products, Seller will furnish to Buyer and all carriers sufficient written warning and notice (including appropriate labels on the Products, containers and packing) of any hazardous material that is an ingredient or a part of any of the Products, together with all special handling instructions, safety measures and precautions as may be necessary to comply with applicable law, to inform Buyer and all carriers of any applicable legal requirements and to best allow



Buyer and all carriers to prevent bodily injury or property damage in the handling, transportation, processing, use or disposal of the Products, containers and packing.

8. Price

The Seller agrees that the prices stipulated in the Contract are binding and cannot be changed without written agreement between the Seller and the Buyer. Increases in the cost of raw materials, freight, exchange, transport, labour, taxes, duties and any variations will not be taken into consideration.

9. Extra Charges

No extra charges of any kind, including charges for packing or cartage, will be allowed unless specifically agreed to by Buyer in advance.

10. Over-Shipments

Buyer will pay only for maximum quantities ordered. Excess quantities of Products resulting from over-shipments will be held at Seller's risk and expense for a reasonable time awaiting shipping instructions. Return of excess quantities will be at Seller's expense and risk.

11. Packing and Shipment

Unless otherwise specified, when the price of any Products set out in the Contract is based on the weight of the ordered Products, such price is to cover net weight of the Products ordered only, and no charges will be allowed for boxing, crating, carting, storage or other packing requirements.

Unless otherwise specified, all Products shall be packed, packaged, marked and otherwise prepared for shipment in a manner which is: (a) in accordance with good commercial practice; (b) in accordance with any applicable laws or regulations; (c) acceptable to common carriers for shipment at the lowest rate for the particular Products; and (d) adequate to insure safe arrival of the Products at the named destination. Seller shall mark all containers with necessary lifting, handling and shipping information, purchase order numbers, date of shipment and the names of the consignee and consignor.

An itemized packaging sheet, which will include the date, identification code, description, quantity, Blanket Order number and/or Purchase Order number and any other information required pursuant to the Contract, must accompany each shipment. No partial or complete Delivery shall be made hereunder prior to the date or dates specified in the Contract unless Buyer has given prior written consent.

12. Delivery, Title and Risk of Loss

(a) Unless otherwise specifically provided in the Contract, all shipments of Products shall be DDP at Seller's designated facility, and transfer of title to, and risk of loss in respect of, Products shall be passed to Buyer upon Delivery. If either Party causes loss or damage to the Product during delivery or receipt, the Party causing the loss or damage shall pay for such loss or damage to the Product regardless of whether or not



title to or risk of loss in respect thereof resides with such Party. With respect to Delivery, the Seller understands and agrees:

(1) The terms for Delivery contained within the Contract are essential and time is of the essence. In the event of delay, even for only part of the Purchase Order, the Buyer reserves the right to cancel the Purchase Order or the Blanket Order, as applicable, in whole or in part, subject in any case to Buyer's right to claim compensation for any damages which may suffer.

(2) The Buyer further reserves the right to acquire the Products and associated services, if any, which were ordered and not delivered on time from other suppliers. In this case, any differences in the price shall be borne by the Seller, notwithstanding and without prejudice, in any case, to the right of the Buyer to claim further compensation for the damage suffered.

(b) Given that actual damages may be difficult to calculate in the event that Seller fails to deliver the Products or complete services on the date required under the Contract, Seller agrees to pay Buyer liquidated damages equal to two-tenths of a percent (0.2%) of the price of the Products under the Contract (but not more than ten percent (10%) in total) for each Business Day that delivery or completion of services is late, provided that Buyer reserves the right, at its option, to terminate the Contract and seek any additional actual damages (*maggior danno*) if Delivery or completion of services has not occurred within ten (10) Business Days of the required date.

(c) Buyer will not be required to pay for any Products that exceed the quantities specified in Buyer's delivery schedules or to accept Products that are delivered in advance of the delivery date specified in Buyer's delivery schedules. Seller bears the risk of loss of all Products delivered in advance of the delivery date specified in Buyer's delivery schedules. If the requirements of Buyer's customers or market, economic or other conditions require changes in delivery schedules, Buyer may change the rate of scheduled shipments or direct temporary suspension of scheduled shipments without entitling Seller to a price adjustment or other compensation.

13. Importation, Exportation, Customs and Duties

(a) For the purposes of any export out of or import into the jurisdiction of the Buyer prior to Delivery, Seller shall be owner of the Products, and the exporter and importer of record, as applicable. As such, Seller assumes full responsibility for the contents of any and all declarations, filings or other representations made to any Governmental Authority of any country in relation to the shipment of Products.

(b) To the extent that Buyer is required to make any declaration, filing or other representation to any Governmental Authority of any country for the purpose of enabling the shipment of any Products pursuant to the Contract, Buyer shall do so only at Seller's request and pursuant to the instructions provided by Seller, and any such declaration, filing or representation made by Buyer shall be deemed to have been done at the request and instruction of Seller. Seller shall be responsible for providing any and



all such information to Buyer as may be required to ensure that Products can be shipped to the applicable destinations.

(c) Unless explicitly indicated in the Contract, Seller shall be responsible to account for and pay any tariffs and other duties and fees relating to the exportation of the Products out of any country, province or state.

(d) Seller shall advise Buyer of the country of origin and manufacture of all components included or to be included in the Products, including all information related to conflicts minerals and raw materials used to manufacture the Products, all information requested by and any other information required by any Governmental Authority and, in respect of such Products, shall advise Buyer which Products may be exported or imported on a duty-free basis as a result of valid certificates of origin or permissible proofs of origin, and shall make any customs filing and/or to otherwise cooperate with Buyer in the supply of documentation required by Buyer to qualify for reduced customs and duty rates.

(e) Seller shall diligently pursue any duty drawback, refund of duties, duty deferral or remissions, to which Buyer or Seller may be entitled, and, to the extent that any rebates or benefits received in connection therewith relate to shipping or customs and duty costs paid by Buyer hereunder, whether directly or indirectly, Seller shall provide Buyer with a credit for any recovered amounts.

14. Invoicing and Payment

(a) Each invoice issued pursuant to the Contract: (i) shall set forth the Purchase Order number under which it is issued; and (ii) shall be rendered to the proper Accounts Payable Department of Buyer as set forth in the Contract. Unless otherwise stated in the Contract, invoices shall be due ninety (90) days end of the month following receipt thereof by Buyer. Unless otherwise provided in the Contract, payment made by Buyer shall be made in the currency of the jurisdiction where the Seller is located via electronic funds transfer to an account provided by Seller. If the payment due date falls on a day that is not a Business Day, the invoice will be payable on the next Business Day.

(b) Seller shall separately state or re-phrase invoice items in order to reduce transaction taxes if requested by Buyer and as permitted by applicable laws. Seller must not invoice Buyer for transaction taxes, and such amounts should not be included in the invoiced amount, to the extent Buyer advises Seller in writing (by exemption certificate or otherwise) that it will self-assess and remit those taxes.

(c) Buyer shall have the right to withhold disputed amounts, without incurring interest or penalty thereon. Buyer shall have the right to set off from any payment due to Seller, any other amount owed by Seller to Buyer, whether under the Contract or otherwise.

(d) No certificate given, payment made or inspection, approval or use of the Products and associated services, if applicable, or any part thereof by Buyer will:

(i) prejudice the right of Buyer to dispute whether the paid amount is the amount properly due and payable;



- (ii) be evidence of the value of the Products or associated services, if applicable;
- (iii) be an admission of liability on the part of Buyer;
- (iv) be construed as evidence of satisfactory performance of the Contract, in whole or in part; or
- (v) be construed as acceptance of defective Products associated services or as relieving Seller from any of its obligations or liabilities under the Contract.

15. Taxes

(a) Subject to Section 13(b), Seller shall, as applicable, invoice, collect and remit all Value-Added Taxes required by applicable laws in respect of Products or associated services supplied by Seller.

(b) The Parties acknowledge that the price for the Products and associated services, if applicable, under the Contract is exclusive of Value-Added Taxes, but inclusive of all other Taxes which may be imposed in respect of the provision of the Products and associated services. Value-Added Taxes shall be added to an invoice only if Seller is required to collect such taxes by law, and in such case, Seller shall collect and remit Value-Added Taxes as required by law. Seller shall segregate on the applicable invoice the amounts for Products and associated services and related charges for which Buyer is not liable to pay Value- Added Taxes from any amounts for Products and associated services and related charges for which Buyer is liable to pay Value-Added Taxes. Any applicable Value-Added Taxes which may be imposed upon Buyer in respect of the Products and associated services shall be: (i) calculated by Seller in the manner stipulated herein and as required by law or administrative policy; and (ii) reflected on the applicable invoice as a separate line item, together with such information as required under applicable law or administrative policy so that Buyer can obtain any applicable tax credits or refunds.

(c) Buyer may withhold amounts from payments due to Seller at the withholding rate specified by law. Seller shall facilitate the withholding and payment of any withholding Tax as requested by Buyer.

(d) Without restricting any obligation of Seller under the Contract, or otherwise releasing Seller therefrom, Seller shall promptly give written notice to Buyer of any change in the residence, corporate structure, ownership or identity of Seller under the Contract that would result in Buyer's obligation to withhold and remit Taxes arising or changing under any applicable laws, together with supporting documentation reasonably requested by Buyer.

16. Inspection

Each and every Product purchased under the Contract is subject to Buyer's inspection and approval at any place Buyer may reasonably designate. Buyer expressly reserves the right, without liability hereunder or otherwise, to reject and refuse acceptance of Products which do not conform in all respects to: (a) any instructions contained in the Contract; (b) Buyer's specifications, drawings, blueprints and data; and (c) the Warranty. Buyer may, in Buyer's sole discretion, hold such rejected Products for Seller's inspection at Seller's risk upon notification to Seller or return such Products to Seller at Seller's expense and risk and



recover from Seller the price paid therefore. Payment for any Products shall not be deemed an acceptance thereof.

17. Changes

Buyer reserves the right at any time to change any one or more of the following:

- (a) specifications, drawings, blueprints and data incorporated in the Contract where the Products to be purchased are to be specifically manufactured for Buyer;
- (b) method of packaging, packing or shipment; and
- (c) place and/or time of delivery.

If any such change causes an increase or decrease in the cost of, or the time required for the performance of, the Contract, an equitable adjustment shall be made in the price or delivery schedule, or both. Any claim for adjustment by Seller shall be deemed waived unless asserted in writing within thirty (30) days from the receipt by Seller of Buyer notification of the change. Nothing contained in this clause shall relieve Seller from proceeding without delay in the performance of the Contract as changed.

18. Warranties

(a) Seller warrants that the Products and associated services to be provided hereunder will: (i) be in full compliance with Buyer's specifications, blueprints, drawings and data or Seller's samples, if any; (ii) be designed, engineered, manufactured, fabricated, assembled, delivered and sold, as applicable, in accordance with the highest industry standards; (iii) meet the requirements of the Westport Supplier Quality Manual, a copy of which can be accessed through our web site; (iv) be of merchantable quality; (v) be free from any defect in material or workmanship; (vi) be fit for the use intended by Buyer; (vii) be free from any actual (or claim of) infringement of Intellectual Property Rights of any Third Party; and (viii) be in compliance with all applicable laws, ordinances, regulations (including, without limitation, any applicable environmental, labor, health and safety legislation and all applicable laws in relation to the corruption or bribery of public officials and conflict minerals), permits and any by-laws, code of ethics, rules or regulations established from time to time by Seller, any regulatory body governing Seller or regulating the performance of services similar to the Services or any relevant professional body. Seller further warrants title to the Products, free and clear of all third party claims of any nature, including, without limitation, liens, encumbrances and security interests.

(b) Seller warrants and represents that it has complied with and will continue, during the performance of its obligations under the Contract, to comply with, all applicable laws, ordinances, regulations, permits and any by-laws, code of ethics, established from time to time by any regulatory body governing Seller or regulating the delivery of products similar to the Products or any relevant professional body, including those laws and regulations applicable at the point of manufacture concerning the packaging, storage, shipment and exportation of all or any part thereof, the protection of the environment, workplace safety, conditions and standards. Seller hereby agrees to grant access to Buyer



or its designated agent to inspect Seller's manufacturing facilities during normal business hours and upon reasonable notice, to verify compliance with local laws and regulations. The right to such inspections will not relieve Seller of sole responsibility for ensuring compliance with all local laws and regulations. Seller further warrants and represents that any chemical substance delivered hereunder shall not be on the list of prohibited substances detailed in the applicable environmental laws or regulations that are in force in the jurisdiction of manufacture or delivery. When the laws or regulations of more than one jurisdiction apply, Seller shall act in conformity with the laws or regulations that are more stringent with respect to the matter concerned.

(c) Seller shall assign to Buyer its rights under any third party warranty in respect of any Products or associated services Delivered in accordance with the Contract, the assignment of which does not relieve Seller of any obligation to provide a warranty in accordance with the Contract. If Seller is unable to obtain for Buyer the full benefit of a third party warranty, Buyer will have the right to enforce the warranty for its own benefit (in the name of Seller if necessary) and in case of a warranty that has not been assigned to Buyer, Buyer will have the right to subrogate to all Seller's rights with respect thereto. Seller will not take any action that will void or impair any third party warranty unless authorized by Buyer.

(d) Seller agrees that the warranties contained in the Contract shall: (i) be in addition to any warranties either express or implied in law or expressly made by Seller other than hereunder (collectively, the "Warranty"); and (ii) survive Delivery by Seller and inspection, acceptance and payment by Buyer.

(e) Unless a different time period is specified in the Contract, the Warranty shall be in effect for forty-two (42) months after Delivery of the Product or Service.

(f) If any Products or associated services Delivered hereunder are in breach of the Warranty, Buyer may, without prejudice to any other remedy set forth herein, at its option: (i) require Seller to correct at no cost to Buyer any defective or non-conforming Products or Services by repair, replacement or re-performance; or (ii) return defective or non-conforming Products at Seller's expense and risk to Seller and recover from Seller the sale price thereof; or (iii) correct the defective or non-conforming Products or Services itself and charge Seller with the cost of such correction. The foregoing remedies are in addition to all other remedies at law or under the Contract, and shall not be deemed to be exclusive. The Warranty shall be for the benefit of Buyer and Buyer's customers and subsequent owners of the Products during the period during which the Warranty is in effect.

(g) Waiver by Buyer of any drawing or specification requirement for one or more of the Products shall not relieve Seller of the Warranty and shall not constitute a waiver of such requirements for the remaining Products to be Delivered hereunder unless so stated by Buyer in writing. The provisions of this clause shall not limit or affect the rights of Buyer under Section 16 entitled "Inspection".

19. Indemnification

Seller shall hold harmless, indemnify and defend Buyer, its Affiliates, and its Affiliates' directors, officers, employees, secondees, representatives, agents and contractors and their respective representatives,



agents and employees (together, the “Buyer Indemnified Parties”), from and against all Losses that may be asserted or brought against, or suffered or incurred by, the Buyer Indemnified Parties for or in respect of, or arising in any way whatsoever, out of:

- (a) the fault, misconduct or negligence of, or the breach of the Contract by, Seller, its directors, officers, employees, secondees, representatives, agents, or subcontractors or their respective employees, agents, representatives or subcontractors;
- (b) any defect in design, manufacture material and workmanship (including for greater certainty, any resulting death, personal injury or damage to personal or real property), in any Products or associated services supplied to Buyer by Seller under the Contract;
- (c) any damage to or destruction of a Product during transportation where Seller bears the risk of loss and any action by any Governmental Authority with respect to the shipment of Product over any international boundary in connection with delivery of such Product;
- (d) the claims and demands of all Persons arising out of, or in connection with, the delivery of any Products or associated services, including taking all such actions as may be required to discharge any lien or encumbrance on any Product; and
- (e) any action or claim by any third party that the use, possession, sale or distribution of the Products or Deliverables hereunder, or any part of thereof, infringes any Intellectual Property Rights of the third party (an “IPR Claim”);

except, in each case, to the extent such Losses are solely attributable to the breach of the Contract or misconduct by a Buyer Indemnified Party.

In the event of any IPR Claim, without limiting, and in addition to, its indemnification obligations under this Section 19, Seller shall, at its own expense, use commercially reasonable efforts, after previous consultation with Buyer, to, as soon as practically possible:

- (a) procure the Buyer Indemnified Parties with the right to continue to use the Products or the infringing part or parts thereof, as the case may be; or
- (b) modify the Products, or the infringing part or parts thereof, as the case may be, so that it is non-infringing without materially affecting its performance or functionality; or
- (c) replace the Products or the infringing part or parts thereof, as applicable, with a substitute that provides materially and substantially similar performance and functionality.

20. Limitations on Liability

In no event shall Buyer be liable to Seller for any indirect, consequential, incidental, punitive or exemplary losses, damages or expenses or for loss of profit, revenue, use or production, downtime or business



interruption, anticipated profits, lost savings, loss of opportunity, or any other economic loss of any kind, whether such losses arise under contract, tort (including negligence), strict liability or otherwise.

21. Insurance

Seller, at its sole cost, will maintain insurance coverage throughout the term of the Contract as described in the Purchase Order or Blanket Order, as applicable, or if not stated in the Purchase Order or Blanket Order, in amounts reasonably sufficient to support the Seller's obligations under the Contract, however no less than \$10,000,000 USD, and which will include product liability coverage, with insurance companies reasonably acceptable to Buyer. The limits or obligations set forth in the Contract are minimum limits and will not be construed to limit Seller's liability. All cost and deductible amounts will be for the sole account of Seller. Where legally possible, all policies required by Buyer hereunder (or otherwise) will waive subrogation rights in favor of Buyer, except policies providing statutory workers' compensation and professional liability coverage. Such policies will be designated as primary coverage as to any similar coverage carried by Buyer. Seller will not begin work in respect of any Products or associated services until all required insurance has been obtained. All policies required under this Section 21 will contain provisions that provide at least thirty (30) calendar days' prior written notice of any cancellation, non-renewal, or reduction in coverage to Buyer. Seller must provide written proof of such insurance coverage upon the written request of Buyer.

22. Non-Publicity

Without the prior written consent of Buyer, Seller shall neither: (a) make any news release, public announcement, denial or confirmation of the Contract or its subject matter; nor (b) in any manner advertise or publish the fact that Buyer has placed any order for Products.

23. Buyer's Property and Tooling

Unless otherwise agreed to in writing, all Tooling or material of every description furnished to Seller by Buyer or its Affiliates, if any, or specifically paid for by Buyer or its Affiliates and any replacement thereof, shall (i) remain the property of Buyer or its Affiliates, (ii) under no circumstance be used for any purpose other than for the performance of the Contract, including, without limitation, for the manufacture of any product of any third party, and (iii) be returned to Buyer upon its request, unless such return would prevent Seller from duly performing the Contract.

Seller shall:

(a) maintain all Tooling or material, including repair or replacement, in the condition necessary to produce the Products, in accordance with the terms of the Contract, its own quality management procedures and in any event in a manner that is consistent with best industry practice, and be responsible for all wear and tear;



- (b) keep Buyer notified of the inventory of all Tooling or material at any given time, and the expected useful life of all Tooling or material and give Buyer reasonable notice of any required replacements to allow Buyer to approve or supply replacements;
- (c) keep all Tooling and material free and clear of any security interests, liens, or other financial encumbrances that may be asserted by any third party, including, if necessary the taking of any action required to discharge any such encumbrance; and
- (d) waive any lien which Seller might otherwise have on any Tooling or material.

Without Buyer's prior written consent, Tooling or material may not be (i) destroyed or scrapped; (ii) copied, reproduced or reverse engineered; or (iii) sold, leased, rented or otherwise provided to any third party.

All Tooling or material furnished to Seller or specifically paid for by Buyer, and any replacement thereof, or any materials affixed or attached thereto, shall be and remain Buyer's property or the property of Buyer's customer, as the case may be. Any risk of theft, loss, damage or destruction of Tooling or material shall be borne by Seller.

Seller shall:

- (a) mark all Tooling or material owned by Buyer or a customer of Buyer in such a way that Buyer's ownership or the customer's ownership is clearly shown, and otherwise as directed by Buyer;
- (b) store such Tooling or material such that it is identifiable at all times; and
- (c) insure all Tooling or material owned by Buyer in an amount equal to the replacement cost with first loss payable to Buyer.

Seller acknowledges and agrees that all Tooling or material owned by Buyer or a customer of Buyer is subject to removal at Buyer's written request, in which event Seller shall prepare such Tooling or material for shipment and shall redeliver such property to Buyer in the same condition as originally received by Seller, reasonable wear and tear excepted.

24. Liens

Seller shall keep Buyer's Property free of all liens arising through Seller for any reason (including from any failure of Seller or any of its permitted subcontractors to pay its accounts when due), and if any such lien is filed, Seller, on notice from Buyer, shall procure promptly a release thereof. If Seller fails or refuses to procure such a release within ten (10) days after notice from Buyer, then Buyer may pay such amounts or take such other actions (including posting security or making payment into court) as may be necessary to procure such release and shall be entitled to recover from Seller all costs of doing so, regardless of whether or not Seller disputes the lien. Seller shall, whenever Buyer requests, furnish Buyer with proof satisfactory to Buyer that all such liens have been satisfied and released.



25. Title to Intellectual Property

Seller confirms that Buyer exclusively owns any and all data, work products, reports and other documentation, deliverables, know-how, ideas, concepts, inventions, discoveries, developments, productions, processes, improvements and any other intellectual property, together with all Intellectual Property Rights in each of the foregoing, which may be perfected, acquired, conceived, made, developed or otherwise created by Seller: (i) in the course of delivering the Products or Services, regardless of the stage of completion; or (ii) otherwise in connection with the Contract (collectively the "Deliverables"). In consideration of the payments made by Buyer under the Contract, Seller hereby (i) irrevocably assigns, transfers and conveys to Buyer all right, title and interest in and to the Deliverables as any such Deliverables come into existence; and (ii) waives, and shall cause all those who developed, created or conceived any element of the Deliverables to waive, all moral rights therein, and Seller shall, when so requested by Buyer, execute all documents as may be required by Buyer to fully and effectively vest in Buyer such right, title and interest in and to the Deliverables and to confirm the waiver of any moral rights therein. Seller will forthwith deliver to Buyer all documents, other recordings and things, including prints, drawings, dies, prototypes and specifications, relating to such Deliverables. In the course of delivering the Products and/or Services, Seller shall ensure that Buyer will be able to freely use the Deliverables. Without limiting the foregoing, Seller will not use or otherwise incorporate any Intellectual Property Rights owned by third parties into the Deliverables. In the event Seller uses or otherwise incorporates any Intellectual Property Rights that Seller may now or hereafter own, possess, or in which it may hold licensing rights ("Background IPR") into any Deliverable, Seller hereby grants to Buyer a perpetual, irrevocable, fully paid-up, royalty-free, transferable, sublicensable (through multiple levels of sublicensees), worldwide non-exclusive right and license to use or otherwise practice all or any portion of such Background IPR. For greater certainty, Seller acknowledges and agrees that the foregoing license is sufficiently expansive for Buyer to reproduce, distribute, display and perform (whether publicly or otherwise), prepare derivative works of and otherwise modify, make, have made, sell, offer to sell, import and otherwise use and exploit the Deliverables, or any parts thereof, and have others exercise such rights on behalf of Buyer. The obligations under this Section 25 shall survive the expiration or earlier termination of the Contract and shall remain in effect indefinitely.

26. Technical Information

(a) Seller will create, maintain, update and provide to Buyer, in compliance with Buyer's standards and specifications, all technical information about the Products and their manufacture which is reasonably necessary or requested by Buyer in connection with its use of the Products, including, without limitation, the engineering validation and qualification of the Products for automotive production and other applications and compliance with any legal or regulatory requirements. Such technical information will not be subject to any use or disclosure restrictions imposed by the Seller.

(b) Seller agrees not to assert any claim against Buyer, Buyer's customers or their respective suppliers with respect to the technical information that Seller shall have disclosed, or may hereafter disclose,



pursuant to Section 26(a) in connection with the Products or services covered by this Contract, (except in the event of infringement by Buyer of patents owned by the Seller).

27. Confidentiality; Data Protection

For the purposes of this Section, the term "Affiliates" shall include certain confidential third party business partners of Buyers and/or its Affiliates.

In the course of selling and delivering the Products, and associated services if applicable, and in the discussions leading up to the entering into of the Contract, Seller has obtained and will continue to access, obtain, generate or be made aware of information, in whatever form and whether or not marked as "confidential", that is of a proprietary and/or confidential nature with respect to Buyer and/or any of its Affiliates, and this information includes (but is not restricted to) the existence of the Contract and the relationship among the Parties, the identities of certain confidential third party business partners, business plans, customer lists, financial data, marketing data, technical data, engineering data, testing data, trade secrets and any other information in respect of Buyer or any of its Affiliates which is disclosed to Seller or which Seller becomes aware of in the delivery of the Products and/or Services or in connection with the Contract ("Confidential Information"). Seller agrees to use such Confidential Information only for the purpose of delivering the Products and associated services, if applicable and not to use it for any other purpose, unless otherwise agreed to in advance and in writing by Buyer. Seller further agrees to maintain such Confidential Information in strict confidence and not to directly or indirectly disclose it to any other Person except to those of its directors, officers, employees, agents and representatives who have a need to know such Confidential Information for purposes of the Contract and are bound by confidentiality obligations similar to the provisions of this Section 27. These obligations shall not apply to information that Seller can show to Buyer that at the time of its disclosure is in the public domain through no fault of Seller; was known to Seller prior to the disclosure by Buyer or its Affiliates; or is hereafter received by Seller in good faith from a third party having the lawful right to disclose the same. Upon delivery of the Products and associated services, if applicable or the earlier termination of the Contract, Seller shall deliver to Buyer all property and any documents and computer files containing any Confidential Information or other Buyer information, including all copies thereof unless otherwise agreed in writing by Buyer.

Seller acknowledges and agrees that Buyer and its Affiliates will suffer irreparable harm in the event that any of the obligations contained in this Section are breached and that monetary damages will be inadequate to compensate Buyer and its Affiliates for the breach. Accordingly, Seller acknowledges and agrees that, in the event of a breach or threatened breach by Seller or any of its directors, officers or employees of any of the provisions of this Section, Buyer, in addition to and not in limitation of any other rights, remedies or damages available to it at law or in equity, shall be entitled to an interim injunction, interlocutory injunction and permanent injunction in order to prevent or to restrain any such breach by Seller.



The obligations under this Section 27 shall survive the expiration or earlier termination of the Contract and shall remain in effect for a subsequent five (5) year period.

Seller undertakes to comply in all material respect with any applicable law governing privacy and data protection, including where applicable the General Data Protection Regulation (EU) 2016/679 and Italian Legislative Decree 196/2003.

28. Termination

Unless and to the extent as otherwise provided under the Contract, Buyer may terminate the supply of the Products and any associated services in whole or in part for its convenience at any time by notice to Seller in writing. Seller will thereupon immediately stop all work under the Contract, or the terminated portion thereof, and notify its subcontractors to do likewise. Upon termination under this Section 28, Seller shall be entitled to be paid for Products and applicable services, if any, delivered in accordance with the Contract up to and including the date of termination, plus all reasonable and necessary documented costs directly resulting from such termination, which Seller shall use all commercially reasonable efforts to minimize. The total of all claims under this Section 28 shall not exceed the cancelled commitment value of the Contract or the cancellation costs listed in the Contract, whichever is less.

29. Termination for Default

(a) Time is of the essence under the Contract. Buyer may, by written notice, terminate the Contract in whole or in part if Seller fails: (i) to make delivery of the Products or to perform the associated services within the time specified therein, or any extension thereof by written change order or amendment; or (ii) to replace or correct defective Products or services in accordance with the provisions of those clauses hereof entitled "WARRANTIES" and "INSPECTION", or (iii) to perform any of the other provision of the Contract or so fails to make progress as to endanger performance in accordance with its terms.

(b) In the event of termination pursuant to paragraph (a), Buyer may procure from a third party, upon such terms and in such manner as Buyer may deem appropriate, products or services similar or substantially similar to those so terminated, and Seller shall be liable to Buyer for any excess costs incurred by the Buyer.

(c) In the event of termination of the Contract in part, Seller shall continue the performance of the Contract to the extent not terminated.

(d) If the Contract is terminated pursuant to paragraph (a), Buyer, in addition to any other rights provided herein, may require Seller to transfer title and deliver to Buyer, in the manner and to the extent directed by Buyer: (i) any completed Products and services; and (ii) such partially completed Products and services as Seller has produced or acquired for the performance of the terminated part; and Seller shall, upon direction of Buyer, protect and preserve such property in the possession of Seller. Payment for completed Products and services delivered to and accepted by Buyer shall be in an amount agreed upon by Seller and Buyer (not to exceed the contract price set out in the Contract). Seller's obligations



hereunder to carry out Buyer's direction as to delivery, protection and preservation shall not be contingent upon prior agreement as to such amount.

(e) Failure of Buyer to enforce any right under this clause shall not be deemed a waiver of any right hereunder. The rights and remedies of Buyer under this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under the Contract.

30. Force Majeure

(a) If a Party is prevented from performing any obligation under the Contract, in whole or in part, by an event or cause which is beyond the control of that Party, which is not able to be overcome by the exercise of reasonable care and proper precautions, and which could not have been reasonably foreseen, including, without limitation, an act of God or the public enemy; riot; civil commotion; armed aggression; terrorism; insurrection; war; flood; fire; explosion; serious accident; earthquake or other catastrophe; or epidemic or quarantine restriction; and currency and trade restrictions, embargo, sanctions (an "Event of Force Majeure"), such obligation shall, to the extent that its performance is prevented by such Event of Force Majeure, be suspended as long as such Event of Force Majeure continues to prevent such performance, and the non-performance of such obligation to such extent during such period of suspension shall not constitute a breach or default hereunder. An Event of Force Majeure specifically does not include extreme or inclement weather which is not unusual at the place where the Contract is being performed, strikes, lockouts, slowdowns or other labour disruption of a Party, or the financial condition of a Party.

(b) If either Party relies on the occurrence of an Event of Force Majeure as a basis for being excused from performance of its obligations under the Contract, the Party relying on the event or condition shall: (i) provide notice to the other Party of the occurrence of the Event of Force Majeure giving an estimation of the expected duration of such event and the probable impact on the performance of its obligations under the Contract; (ii) exercise all reasonable efforts to continue to perform its obligations under the Contract; (iii) use all reasonable efforts to correct or cure the Event of Force Majeure; (iv) use all reasonable efforts to mitigate or limit damages; and (v) provide prompt notice to the other Party of the cessation of the Event of Force Majeure.

(c) If any Event of Force Majeure continues for a period exceeding three (3) months, Buyer shall have the right to terminate the Contract forthwith on written notice to the Seller.

31. Books, Records and Audit

Seller shall keep at its usual place of business, and, if applicable, cause its subcontractors to keep in their usual place of business, books, accounts, background invoices and other relevant materials ("Records") substantiating its performance of the Contract. Buyer may audit all such Records, and upon reasonable notice, may, at any time and from time to time, undertake an audit of all such Records and Seller's third party invoices for the purpose of verifying the proper performance by Seller of its obligations. Seller shall respond to all audit enquiries by Buyer not later than twenty-one (21) Business Days from the date of any



audit enquiry by Buyer. Seller shall keep such Records, and Buyer's audit rights shall exist, at all times during the duration of the Contract and for twenty-four (24) months from the last day of the calendar year in which the applicable Products or Services are delivered.

32. ESG Matters

Upon request of the Buyer, the Seller will provide information and data regarding developments or initiatives with respect to environmental, social (including health and safety, employees, human rights, consumer and community issues) and corporate governance matters such as labour force statistics, environmental initiatives and compliance, human rights, community relations and anti-corruption to support the Corporate Social Responsibility commitments and reporting of the Buyer.

33. General

(a) Waiver by a Party of any default by the other Party hereunder shall not be deemed a waiver by such Party of any other default.

(b) Seller shall be entitled to subcontract or otherwise delegate any performance of any benefit or obligation arising under the Contract without Buyer's prior written consent, provided, however, that (i) Seller shall promptly inform Buyer of any information relating to the relevant sub-contractor and to the relevant activities, and (ii) Seller shall be responsible for all acts or omissions of its employees, agents, consultants, suppliers or subcontractors in relation to the performance of the Contract and any such acts or omissions shall be deemed to be those of Seller, and will defend, hold harmless and indemnify Buyer from and against any liability, claims, demands, damages or expenses (including reasonable attorney or other professional fees and disbursements) arising from or relating to any breach by its employees, agents, consultants, suppliers or subcontractors breach of any applicable laws and regulation

(c) Each Party is and will remain at all times independent of each other Party. The Parties are not and shall not be considered to be joint venturers, partners or agents of each other and none of them shall have the power to bind or obligate any other, except as expressly set forth in the Contract. Each Party covenants and agrees that it shall not in any way, incur any contractual or other obligation in the name of the other Party, nor shall it have liability for any debts incurred by the other Party. No representation will be made or acts taken by either Party which could establish any apparent relationship of agency, joint venture, partnership or employment.

(d) The Contract shall be governed by, and construed in accordance with, the laws of the jurisdiction where the Buyer has its registered office on the date when notice of the dispute is provided by the party raising the dispute, without reference to its conflict of laws principles. The United Nations Convention of Contracts for International Sales of Goods shall not apply to the Contract. Any dispute arising out of or in connection with the Contract, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration under the ICC rules, which rules are deemed to be incorporated by reference into this Contract. The number of arbitrators shall be three. The seat, or legal place, of arbitration shall be the place where the Buyer has its registered office unless otherwise agreed by the Parties. The language to be used in the arbitral proceedings shall be English.



(e) The invalidity or unenforceability of any provision of the Contract shall not affect the validity or enforceability of any other provision of the Contract, all of which shall remain in full force and effect.

34. Assignment

(a) Seller shall not assign any rights or obligations under the Contract (including the right to receive monies due hereunder) without the prior written consent of Buyer, which consent may be withheld in Buyer's sole discretion. Any purported assignment without consent shall be void.

(b) Buyer may, without the prior consent of Seller, assign its rights and obligations under the Contract: (i) at any time if such assignment is considered necessary by Buyer in connection with a sale of Buyer's assets or a transfer of its obligations; and (ii) upon reasonable prior notice to Seller, to any Affiliate of Buyer or to any other assignee, provided that such assignee agrees in writing to be bound by the provisions of the Contract. Any such assignment by Buyer approved hereunder shall be effective as a release and novation of Buyer with respect to the duties and liabilities under the Contract so assigned and delegated.