

GENERAL TERMS AND CONDITIONS OF SALE

ART. 1 DEFINITIONS

For the application and interpretation of these General Terms and Conditions, the following terms shall have the meanings herein assigned to them:

Goods: position sensors and other electronic devices, their accessories and spare parts, subject of the Order and the subsequent Sales Contract entered into by the Parties.

Customer: the entity purchasing the Goods.

General Terms and Conditions: these General Terms and Conditions for the sale of Goods, also referred to in the text as GTCS, available in the download section of the Seller's website (www.tsmsensors.com) and storable on a durable medium.

Special Terms: the Special Terms include any modifications to the General Terms and Conditions of Sale and apply in derogation of the latter.

Order Confirmation: may refer either to (i) the acceptance of the Order by the Seller and (ii) the **Contract**, understood as the legal transaction taking effect when the Order Confirmation is issued, which is its summary document.

Commercial Offer: the document from the Seller containing the technical and business specifications related to the Goods, before the Customer places the Order.

Orders: the document by the Customer indicating the Goods subject to the future Sales Contract, sent to the Seller and awaiting acceptance by the Seller.

Party, Parties: the Seller or the Customer, considered individually or jointly.

End User: the final recipient of the Goods if different from the Customer.

Seller: T.S.M. SENSORS S.r.l. (VAT ID No.: 04334290162 - Tax ID Code T03757080985) having its registered office at Via Roma 110, IT-24021 Albino (BG) and its operational headquarters at Via A. De Gasperi 6/8, 25030 Erbusco (BS), Italy.

ART. 2. SCOPE OF APPLICATION

2.1 These General Terms and Conditions of Sale apply to all offers, sales, and supplies from the Seller. Any General and/or Special Terms of the Customer that are contrary to or divert from these terms are deemed invalid and/or not applicable unless expressly accepted by the Seller. This provision also applies if the Seller, despite being aware of the Customer's contrary or divergent terms, sells any goods to the Customer without any reservations.

2.2 These General Terms and Conditions of Sale apply, unless modified by the Special Terms of Sale, without the need for further agreements, ratifications, or specific signatures, and by sending the Order, the Customer is deemed to have known and expressly accepted them.

2.3 The Commercial Offer issued by the Seller does not obligate the Seller to accept the Contract, even if the Customer accepts the Commercial

Offer itself. Upon receiving the Order, the Seller reserves the right to conduct all subjective, economic, and financial checks regarding the Customer, which are a prerequisite for sending the Order Confirmation.

2.4 The date when these General Terms and Conditions of Sale are approved and published by the Seller is indicated at the end of the GTCS. The General Terms and Conditions published on the date the Contract is concluded are considered applicable to the contract.

ART. 3. EXPORT CONTROL COMPLIANCE

3.1 The Customer acknowledges and agrees that the Seller will verify, upon receiving the Order and prior to sending the Order Confirmation, that the Customer is not subject to export restrictions imposed by the EU, or by other supranational bodies and sovereign states, including current restrictions on exports to Russia, Belarus, and to individuals and entities in Russia and Belarus, or to those directly and/or indirectly linked to them, or to entities included in the OFAC Sanctions List. The final conclusion of the Contract remains subject to the continued existence of the conditions that permitted the issuance of the Commercial Offer. Should these conditions change at any time before the Contract is concluded, the Contract cannot be finalised.

3.2 Even with reference to third countries other than Russia and Belarus, and to individuals and entities other than those established in Russia and Belarus, the formulation of the Offer and/or the conclusion of the Contract are contingent on prior verification that the Customer is not included in the Sanctions List of the OFAC (Office of Foreign Assets Control) at the U.S. Department of the Treasury, and that the Customer is not subject to trade restrictions imposed by the UN Security Council or the European Union. To this end, the Customer undertakes to submit the Seller the names of the End Users. The initial subjective check on the End User will be carried out by the Seller, while the Customer undertakes to verify that there are no restrictions on the End User prior to any export.

3.3 Should facts and circumstances arise after the final conclusion of the Contract that result in measures by Public Authorities leading to situations similar to those covered by articles 3.1 and 3.2 of these General Terms and Conditions of Sale, this will suspend the performance of the Contract without any consequences for the Seller until the situation causing the suspension ceases. After 6 (six) months from the occurrence of the cause of suspension, the Parties have the right to declare the Contract terminated, and the Seller shall retain any amounts received so far as advance payments and/or deposits, without prejudice to the right to claim compensation for any further damages suffered.

3.4 The Customer, if residing or established outside the EU, acknowledges and accepts that all Goods or technologies as listed in Annexes XI, XX, XXXV, and XL of Regulation (EU) 833/2014 of 18 December 2014 cannot be sold and/or re-exported for use in Russia and undertakes to keep them in their exclusive possession and/or not to violate the provisions referred to herein.

3.5 The Customer acknowledges that, in the event of a confirmed breach of the prohibitions set out in article 3.4 and until the possible lifting of sanctions under Reg. (EU) 833/2014 and its subsequent amendments and additions, the Seller shall not provide any further Goods, technologies, and/or services to the Customer, including mandatory or optional maintenance, not even for Goods already possessed by the Customer and not yet exported, and shall be relieved from all liability.

3.6 Furthermore, in compliance with EU and national regulations on dual-use products, the Customer undertakes to collect the End User Statement from all potential End Users of the Goods other than the Customer, also to verify that these Goods are not or cannot be intended, in whole or in part:

- a) In connection with the development, production, handling, operation, maintenance, storage, detection, identification, or dissemination of chemical, biological, or nuclear weapons or other nuclear explosive devices, or the development, manufacturing, maintenance, or storage of missiles that could be used as carriers for such weapons;
- b) For military purposes if the purchasing country or country of destination is subject to an arms embargo;
- c) To be used as parts or components of military products listed in the national arms material list, which have been exported from the territory of an EU Member State without authorisation or in breach of the authorisation required by the national legislation of that Member State

ART. 4. DELIVERY TERMS AND CUSTOMS CHARGES

4.1 Unless otherwise agreed in writing, the prices indicated are expressed in euros and are exclusive of the VAT required by law, which will be stated on the invoice, and relate to the Goods subject to sale with Free Carrier delivery [FCA T.S.M. Sensors S.r.l. Via A. De Gasperi 6/8, Erbusco (BS), Incoterms® 2020]; shipping, unloading, and installation at the Customer's premises are not included unless otherwise agreed in writing. Any reference in the contractual documentation and attachments to terms and practices of the International Chamber of Commerce (Incoterms) shall always refer to the latest edition issued, regardless of the specific year of the edition.

4.2 Unless otherwise regulated by the Parties in the Special Terms, the delivery terms for spare parts under warranty are the same as for the Goods.

4.3 If despite the Incoterms® 2020 mentioned in article 4.1 herein above, the Parties agree that the Seller will enter into the transport contract in the name and on behalf of the Customer, and possibly advance the costs, all liabilities arising from the transport contract, without exception, and any additional expenses beyond the transport cost, such as *port storage, detention, demurrage*, or any other costs that the Seller may be required to pay as the principal of the transport contract, shall be reimbursed by the Customer upon the Seller's request, all exceptions hereby expressly waived.

4.4 The price of the Goods does not include any additional costs that the Seller may incur for *port storage, detention, demurrage*, or other charges if such costs arise from unforeseen or unforeseeable events at the time the Contract becomes effective, such as those listed in article 9.3 of these GTCS. All such extra costs shall be reimbursed by the Customer within and no later than the arrival of the goods at their destination.

4.5 In cases where the export customs declaration is handled by the Customer, the Customer undertakes to present the Goods to the Customs office of exit from the Community's customs territory within 90 (ninety) days of its taking responsibility for transporting the goods, and to send a copy of the export declaration to the Seller within and no later than 30 (thirty) days from the day the Goods leaves said customs territory, together with the MRN number. If the Customer fails to comply with these requirements, the Customer hereby accepts that the Seller may treat the transfer as a domestic sale and charge VAT accordingly.

4.6 Regardless of the delivery term used, the Customer undertakes to inform the Seller of the cost of freight and insurance up to the Customs office of exit from the customs territory.

4.7 If the Goods require an export license, including one for dual-use products, if necessary, the Customer must provide the Seller with all identifying details of the end user of the Goods and/or any other information, data, and/or documents that the Seller may need to obtain the required licenses from the competent authorities.

4.8 The Seller shall not be considered in default if the failure to obtain export licenses is due to the Customer's failure to co-operate.

4.9 The Seller shall never be considered to be in default if transport operations, if undertaken by the Seller, become impossible and/or untimely due to a lack of containers, cargo slots, transport routes, etc. In such cases, the Seller will only be required to inform the Customer of the impossibility of completing transport within the agreed terms and is to agree with the Customer on an alternative solution, excluding, with no exceptions, the application of penalties and/or claims for damages against the Seller.

ART. 5 VALIDITY OF THE OFFER AND CONCLUSION OF THE CONTRACT

5.1 The Commercial Offer is valid for 30 (thirty) days, after which the Seller has the right to review the technical specifications, prices, and delivery terms by issuing a new Commercial Offer.

5.2 The Order sent by the Customer to the Seller must be complete in every detail to accurately identify the Goods requested, and must include the identification code of the Offer provided by the Seller.

5.3 The Contract is considered concluded for all legal purposes, including the transfer of ownership, when T.S.M. Sensors S.r.l. sends the Order Confirmation. The Customer does not have the right to withdraw from the Contract after the Order Confirmation is sent.

ART. 6 DELIVERY

6.1 Delivery terms are agreed upon on a case-by-case basis, and indicated in the Order Confirmation. The deadlines and adherence to the delivery terms agreed are subject to the Customer's fulfilment of obligations, particularly compliance with the agreed payment terms, payment of any deposits, if agreed upon, and opening of the documentary credit if required. If these requirements are not met punctually and regularly, the delivery terms will be extended proportionally, by at least the period of delay caused by the Customer, without prejudice to the Seller's right to terminate the Contract.

In case of idle waiting time or work interruptions caused by events not attributable to the Seller, the additional costs resulting from such periods will be quantified and payable by the Customer, while dates agreed upon under contract will be adjusted accordingly, and the Seller shall be relieved from any liability.

6.2 Unless otherwise agreed, the Customer assumes, in dealings with the Seller, the obligations set forth by Italian legislation and the law of the Customer's country regarding the disposal of packaging waste and exempts the Seller from complying with these obligations.

6.3 The delivery term is considered met if, by the deadline, the Goods specified in the Order Confirmation have been loaded onto the transport vehicle provided by the Customer, or if

the availability for shipment is communicated, even if the Customer requests a change for their own reasons.

6.4 The Customer is entitled to request a change in the delivery terms as follows:

- The delivery terms can be postponed (only once) by providing written notice at least 2 (two) months before the originally confirmed delivery date;
- The new delivery date can be postponed for a maximum of 2 (two) months from the originally confirmed date.

If the Customer requests any modifications to an already completed Order and such modifications are accepted by the Seller, the delivery terms will start from the date of the new Order Confirmation.

6.5 Any delays in performance by the Seller due to *force majeure* and events that make the supply considerably more burdensome or impossible for the Seller, such as those mentioned in article 9.3 of these General Terms and Conditions of Sale, even if such events affect the Seller's suppliers or subcontractors, will extend the agreed delivery terms for the duration of the delay caused by the event. The Seller will inform the Customer of the potential start, end, and expected duration of the mentioned circumstances.

6.6 If, once the Goods are prepared to be shipped, they cannot be delivered within 7 (seven) days due to reasons attributable to the Customer who has not requested a postponement of delivery according to article 6.4 herein above, the Seller reserves the right to store the Goods that are already ready, and costs shall be borne by the Customer. Should this be the case, the right to collect such costs arises when a notice is sent to the Customer by means of registered letter or certified email address (PEC) indicating that the Goods have been stored. Simultaneously, the Seller will have the right to issue an invoice for storage costs, it being understood that as from the date of delivery (article 6.3), the risk that the Goods may get damaged and/or lost is transferred to the Customer.

6.7 The Customer waives their right to terminate the Contract in the event of there is a delay in delivering the goods, even if that is attributable to the Seller.

ART. 7 PAYMENT TERMS

7.1 The payment methods are those specified in the Order Confirmation.

7.2 In case of a delay in scheduled payments, the Seller shall apply the default interest rates set forth by Italian Leg. Decree 231/2002 as amended and shall also have the right to consider the Customer forfeited from the benefit of instalment payments, being free to demand payment in full of all amounts still due pursuant to article 1186 of the Italian Civil Code.

7.3 Where provided for in the Contract, the Customer undertakes to open an irrevocable, confirmed documentary credit not subject to conditions, which must remain valid at least until the date the Goods are shipped.

The Confirming Bank must be a prime European bank approved by the Seller. All costs associated with the confirmation of the letter of credit must be borne by the Customer.

7.4 The validity of the documentary credit opened must be sufficient to cover the shipment of the Goods.

7.5 Letters of credit opened in relation to the Contract are governed by the Uniform Rules and Customs for Documentary Credit for Electronic Presentation effective from 1 July 2019 (which include UCP No. 600, edition 2007 for paper document presentation).

7.6 The Customer acknowledges that the Seller, in the case of exports, shall indicate the Combined Nomenclature of the Goods in the invoice or any other commercial documents as provided by the EU (at the 8-digit level), it being the importer Customer's responsibility to assign the correct tariff classification according to the legislation in force in their country.

ART. 8 WARRANTY

8.1 The Seller grants the Customer a warranty for defects and faults of the Goods for a period of 24 (twenty-four) months from the date the Goods are delivered or from the modified date as per article 6.4. If the standard warranty mentioned in the previous paragraph has expired or is expiring, the warranty period is 12 (twelve) months for replaced Goods starting on the date the goods are replaced, and 6 (six) months for repaired starting on the date the goods are repaired.

8.2 The warranty covers the conformity of the Goods, the communicated technical specifications, and compliance with applicable laws and regulations. It includes the replacement of defective parts but does not extend to labour costs, which remain the Customer's responsibility unless covered by official campaigns or recalls of non-conforming components announced by the Seller.

8.3 The Customer is required to notify any defect or fault to the Seller in writing within 7 (seven) days after discovering them.

8.4 Within the terms set out in article 8.1, the Seller agrees, at its sole discretion, to repair and/or replace free of charge the parts of the Goods that exhibit defects. The Seller shall replace or repair defective parts as soon as possible, to be determined in writing between the Parties. The warranty does not cover parts subject to normal wear and tear, or damage resulting from incorrect maintenance or lack of it, incorrect handling by the Customer's personnel or the User, incorrect or negligent processing, excessive use of the devices, damage or deterioration caused or worsened by using Goods when they show technical problems, when there are electrical surges or temperature fluctuations, or any other cause not directly attributable to the Seller. Any Goods replaced must be returned to the Seller upon request.

8.5 The Seller shall not be liable, except as required by mandatory laws, for any damage caused by possible defects of the Goods. The warranty will exclude any other damage whatsoever, including those resulting from reduced or no production, as well as indirect damages that are consequence or the result of the termination of the Order Confirmation.

8.6 Any unauthorised modification of the Goods under the Contract will immediately render the warranty null and void under article 8.1 and the cessation of any responsibility arising from such modifications.

8.7 Neither Party shall be held liable for profits lost resulting from a breach of this article.

ART. 9 FORCE MAJEURE AND HARDSHIP

9.1 *Force majeure* is defined as events or circumstances that prevent or hinder the Seller from fulfilling one or more of its contractual obligations in accordance with the Contract or the GTCS, if and to the extent that the Seller proves that:

- a) the impediment is beyond its reasonable control; and
- b) it could not reasonably have been anticipated at the time the Contract was concluded; and
- c) the effects of the impediment could not reasonably have been avoided or overcome by the Seller.

9.2 If the Seller fails to fulfil one or more of its contractual obligations due to the non-performance of third parties appointed to perform all or part of the Contract, the Seller may invoke *force majeure* only to the extent that the requirements of article 9.1 are met both for itself and for the third parties.

9.3 In the absence of evidence on the contrary provided by the Customer, the following events shall be presumed to meet conditions (a) and (b) of article 9.1, so the Seller only needs to prove that condition (c) of Article 9.1 is fulfilled:

- war (either declared or otherwise), hostilities, invasion, acts of foreign enemies, extensive military mobilization, civil war, civil strife, rebellion and revolution, establishment of military power or usurpation of power, insurrection, acts of terrorism, sabotage or piracy, currency, trade, and customs restrictions, embargoes, sanctions, lawful or unlawful acts by Authorities, acts in compliance with laws or government provisions, expropriation, seizure of property, requisition, nationalisation, plague, epidemic, natural disasters or extreme natural events, explosions, fires, destruction of equipment, prolonged interruption of transport, telecommunications, information systems or electricity, general labour disturbances such as boycotts, strikes, lockouts, go-slows, occupation of factories and premises.

9.4 If the Seller has the right to invoke this *force majeure* clause, it must notify the Customer within a reasonable time and is exempt from the obligation to fulfil its contractual obligations as well as from any liability for damages or any other contractual remedy for non-performance from the moment the impediment causes impossibility of performance until the impediment ceases, subject to the Seller's right, after a period of 6 (six) months from the moment the impediment starts, to terminate the Contract without penalty. Therefore, in this case, the application of penalties and/or claims for damages against the Seller is excluded without exception.

9.5 (Hardship Clause) If, for T.S.M. SENSOR S.r.l.

- a) the continued performance of its contractual obligations has become excessively burdensome due to an event beyond its reasonable control, which could not reasonably have been anticipated at the time of the Contract was concluded; and which
- b) it could not reasonably have avoided or overcome,

the Parties are required, within 30 (thirty) days from invoking this clause, to negotiate alternative contractual conditions that reasonably address the consequences of the event.

9.6 If the Parties are unable to agree on alternative contractual conditions that eliminate the excessive burden on the Seller, the Seller has the right to request an Arbitration Committee to adapt the Contract to restore its balance or, where this is impossible, to terminate the Contract without penalty. Therefore, in this case, the application of penalties and/or claims for damages against the Seller is excluded without exception.

9.7 Only and exclusively the disputes referred to in article 9.6 shall be solved by arbitration according to the Rules of the Milan Chamber of Arbitration, by a sole arbitrator appointed in accordance with such Rules, who will judge fairly.

ART. 10 WITHDRAWAL

10.1 The Parties are not allowed to withdraw from the Contract, except in the following circumstances:

- a) Winding-up by court, bankruptcy proceedings, or insolvency status that prevents the fulfilment of the obligations under the Contract;
- b) cessation of activity;

10.2 Withdrawal must be communicated in writing without the obligation to give prior notice.

10.3 If the Customer still requests to withdrawn from the Contract, the Seller has the right to grant it, subject to quantification of the costs already incurred, communicated in writing. In such a case, withdrawal shall only take effect after the Customer pays the costs quantified by the Seller, plus an amount equivalent to 20% of the total sale price of the Contract subject to the withdrawal. If, after thirty days from the communication in which the Seller confirms acceptance of the withdrawal and quantifies the costs to be borne by the Customer, including the 20% on the sale price of the Contract, the Customer has not paid all charges in full, the Contract shall continue to be performed normally between the Parties without any further communications on the matter.

ART. 11 TERMINATION CLAUSE

11.1 Without prejudice to each Party's right to request termination of the Contract for any other breach of the obligations under this contract, the Seller reserves the right to suspend the performance of its obligations and/or terminate the Contract with immediate effect, to be communicated in writing to the other Party, in the event the Customer breaches any of the following obligations:

- a) Transfer of this Contract to third parties without the Seller's prior written consent;
- b) Breach of the re-export prohibition as per article 3;
- c) Breach of confidentiality obligations;
- d) Failure to pay the amount due to the Seller, even if partially, within 30 (thirty) days from the payment due date.

ART. 12 PROHIBITION TO TRANSFER

12.1 The Customer is prohibited to transfer the Contract and/or rights arising from it to third parties, unless expressly authorised by the Seller.

ART. 13 OBLIGATION OF CONFIDENTIALITY

13.1 The Customer agrees, for itself and its employees, collaborators, consultants, and subcontractors, to keep utmost confidentiality regarding data and information related to the Seller that it may come to know, for any reason and in whatever way, in connection with the performance of the Contract. Such data and information include any details related to the Seller's business, its Goods, and its personnel, acquired during the performance of the Contract.

13.2 The Customer agrees to:

- a) ensure that any data and information acquired are used solely for the Customer's interests for purposes related to the performance of the Contract;
- b) ensure that none of such information is disclosed to third parties outside the relationships under the contract, for any reason whatsoever, unless it is previously authorised in writing by the Seller.

13.3 This obligation of confidentiality will bind the Customer, its employees, collaborators, consultants, and subcontractors for the entire duration of the Contract and for 5 (five) years after it is terminated, for any reason whatsoever, unless an order by the court or any other competent authorities requires that confidential data and/or information be disclosed. In such cases, the Customer must promptly notify the Seller in order to avoid or minimise any potential harm to the Seller's business.

ART. 14 PERSONAL DATA PROCESSING

14.1 The Customer states that it has received appropriate information from the Seller in accordance with Regulation (EU) 2016/679 (GDPR). Personal data shall be processed by the Seller solely for the purposes related to the Order and its execution. The Parties agree to comply with the provisions on the protection of personal data specified in the aforementioned Regulation when processing personal data obtained during the performance of the Contract, and, if necessary, to appoint external data processors as required by this regulation.

ART.15 INTELLECTUAL AND INDUSTRIAL PROPERTY

15.1 The parties agree to respect patent rights, copyright, trademark rights (registered and otherwise), utility model rights, and any other intellectual property rights belonging to the other party and provided under any national legal system.

15.2 The Seller guarantees that the Products are not subject to any patented rights or any other intellectual and industrial property rights of third parties.

15.3 The T.S.M. SENSORS trademark and any distinctive marks related to it are the exclusive property of T.S.M. SENSORS s.r.l. The Customer's use of the T.S.M. SENSORS trademarks on its technical documentation must be previously authorised in writing by the Seller and expressly regulated. In any case, the authorised use of the T.S.M. SENSORS trademarks must exclusively identify products manufactured by T.S.M. SENSORS s.r.l., thus avoiding any risk of confusion with products and services of other operators.

15.4 The reproduction of the Trademark must faithfully reflect the shapes, colours, and proportions clearly and fully described in the Technical Specifications published on the website www.tsmsensors.com.

15.5 Under no circumstances shall the License to Use grant the Customer the right to create websites and/or register or otherwise use Internet domains containing one or more T.S.M. SENSORS Trademarks, either in Italy or abroad, with any extension or in any language.

15.6 The License to Use the Trademark is limited to the duration of the contractual relationship between the Seller and the Customer. T.S.M. SENSORS s.r.l. reserves the right to revoke the License at any time, by duly notifying the other party in advance. The Customer therefore agrees not to use, after the expiration, termination, or cessation of the contract, any company name, designation, or business name, sign, or trademark that is confusingly similar to the T.S.M. SENSORS Trademarks, or that could otherwise cause deception or confusion with other products and services.

15.7 The Seller retains ownership of all projects, technical documents, and know-how related to the supply, protected by trademark and patent law.

15.8 The Customer, its employees, agents, collaborators, and subcontractors will keep confidential the technical documents and information received during the supply.

ART. 16 APPLICABLE LAW AND JURISDICTION

16.1 The contractual relationship between the Seller and the Customer is governed exclusively by Italian law.

16.2 Except for the case provided for in art. 9.7 of these GTCS, the exclusive jurisdiction for all disputes arising from the relationship under this contract between the Seller and the Customer is the Court of Bergamo. However, the Seller is authorised to bring the Customer to court at the Seller's general jurisdiction.

16.3 If one or more provisions, or parts thereof, of these General Terms and Conditions are invalid or become invalid for any reason, this does not affect the validity of the remaining provisions. The Customer and the Seller agree to replace the invalid provisions with those provided by Italian contract law.

ART. 17 COMMUNICATIONS

17.1 All communications between the Parties relating to the performance of the Contract must be in Italian or English.

These General Terms and Conditions are available, storable, and printable on the TSM Sensors S.r.l. website and represent an electronic communication to record them in a lasting means and to specifically accept the following terms: Art. 3 (Export Control Compliance) Art. 4 (Terms of Delivery and Customs Duties) Art. 5 (Validity of the Offer and Conclusion of the Contract) Art. 6 (Delivery) Art. 7 (Payment Terms) Art. 8 (Warranty) Art. 9 (Force Majeure and Hardship) Art. 10 (Withdrawal) Art. 11 (Termination Clause) Art. 12 (Prohibition to Transfer) Art. 13 (Obligation of Confidentiality) Art. 15 (Intellectual and Industrial Property) Art. 16 (Applicable Law and Jurisdiction).

Albino, 26 July 2024