

This is an English translation for information purpose only. For all legal purpose reference should be made to the Italian Original
General Terms and Conditions of Purchasing and Ordering (AEB)

These terms and conditions are valid in all contractual relations between companies, legal persons governed by public law and public corporate funds (hereinafter, "Supplier") and one of the companies of the Knorr-Bremse Group (hereinafter "Client").
Version: **July 2026**

1.

Applicable terms and conditions
- 1.1

All the legal relationships between the Supplier and the Client shall be governed exclusively by the Following Terms and Conditions of Purchasing and Ordering (hereinafter "Terms") . Any different, contrary or additional terms of the Supplier are excluded. The Client here expressly reject them.
Any different, contrary or additional terms of the Supplier shall become an integral part of the contract only if and to extent that the Client has given express written approval of their validity.
- 1.2

This requirement for approval shall apply in every case, for instance even if the Client executes the contract unconditionally while being aware of the Supplier's terms. The unconditional acceptance of goods or services (hereinafter referred to consistently "goods/services") or undisputed payment by the Client in particular shall not constitute acceptance of the Terms and Conditions of the Supplier.
- 1.3

The Terms shall also apply for all future similar business transactions with the Supplier.
2.

Orders
- 2.1

All contracts for deliveries (purchase orders and confirmations) and release orders shall require the written form.
Purchase and release orders may also send in text form (via fax, email, EDI, Web EDI).
- 2.2

ANY VERBAL AGREEMENTS AFTER CONCLUSION OF THE CONTRACT OR ANY COLLATERAL AGREEMENTS REQUIRE THE WRITTEN CONFIRMATION OF THE CLIENT.
- 2.3

Any cost estimates shall be binding and free of charge.
- 2.4

THE CLIENT MAY DEMAND REASONABLE CHANGES OF THE GOODS/SERVICES IN TERMS OF CONSTRUCTION AND DESIGN. The consequences of such changes, in particular with regard to additional or lower costs and delivery dates, shall be mutually and reasonably regulated between the parties.
- 2.5

Should the Supplier fail to accept an individual order within two weeks of the order date, the Client shall be entitled to cancel the order.
- 2.6

Should these Terms be integrated into a framework agreement, an individual contract that is based on this framework agreement also comes into existence if the Supplier does not object immediately and justifiably; the date stated in the release order shall be met.
- 2.7

Should the Client does not receive the confirmation of the order signed by the Supplier, the execution of the supply shall in any case be understood as implicit acceptance of these Terms and the specific Terms stated in the Client's order.
- 2.8

THE CLIENT'S "QUALITY MANAGEMENT DIRECTIVE FOR PROCUREMENT" SHALL BE AN INTEGRAL PART OF THE DELIVERY CONTRACT.
3.

Prices, payment
- 3.1

Without special agreements, all prices for deliveries are FCA "Free Carrier" (according to Incoterms 2010) including packaging. Should the Supplier undertake installation or assembly, he shall, failing a written agreement to the contrary, bear all necessary additional costs.
- 3.2

Unless otherwise agreed, the Client shall pay within 120 days date of the invoice at end of the month of the claim of the payment and after receipt of a due invoice as well as receipt of the goods/services. ANY PAYMENT IS SUBJECT TO IVOICE VERIFICATION.
- 3.3

Should early delivery of the goods and services (hereinafter referred to as "consignment") be accepted, any claim for payment shall become due not earlier than on the agreed date of payment, in case of doubt not earlier than the agreed delivery date. The right to assert compensation claim for additional costs, in particular with regard to storage costs is reserved.
4.

Delivery and Delivery Dates, Late delivery, Penalty
- 4.1

Any agreed delivery dates and terms shall be binding. Decisive for on-time delivery shall be the date when the goods are received at the delivery address (place of performance) agreed with or designated by the Client. Failing an agreement to the contrary, delivery shall be made FCA "Free Carrier" (according to Incoterms 2010). In all other respects the Supplier shall coordinate the delivery with the carrier of the Client.
- 4.2

Partial deliveries and early deliveries are not permitted unless expressly agreed to in writing with the Client.
- 4.3

Acceptance of late deliveries without reservation shall not be deemed to be a waiver of any claims to which the Clint is entitled due to late delivery.
- 4.4

Should the agreed delivery dates not be met; the statutory provision shall apply. Should the Supplier anticipate difficulties that may prevent him from delivering on time or in the agreed quality, he shall notify the Client thereof immediately, stating the reasons. IN ADDITION, IN CASE OF FAULT OF THE SUPPLIER OR IN THE EVENT OF DELAYED DELIVERY, ALSO DUE TO FAILURE TO REPLACE DEFECTIVE PRODUCTS NOT CAUSED BY CIRCUMSTANCES OF FORCE MAJEURE, THE CLIENT SHALL BE ENTITLED TO:
a) Demand payment of a liquidated damages amounting to 0.50% of the value of the late goods/services for each day of delay, up to a maximum of 5% of the entire value of the order. The liquidated damages shall be set off against any claims for damages due to late deliveries, the liquidated damages may be asserted until the agreed price has been paid in full;
b) Outsource the ordered goods/services, completely or partially, at any time, at the Supplier's expense and risk, with the exclusive obligation to notify the Supplier.
c) Terminate the contract with immediate effect and full rights, pursuant to art. 1456 of the Italian Civil Code, simply notifying the Supplier.
- 4.5

The Supplier shall bear the performance risk until acceptance of the Client or his agent at the location, to which the goods shall be delivered in accordance with the contract.
- 4.6

THE SUPPLIER SHALL WARRANT A THROUGH INSPECTION OF THE OUTGOING GOODS TO ENSURE DEFECT-FREE DELIVERY. An inspection of incoming goods only takes place with respect to outwardly visible defect and/or deviation in kind quality of the goods. The Client will give notice of such defects immediately. Notice of any other defects will be given as soon as those are determined in the ordinary course of the business.
INSOFAR THE SUPPLIER WAIVES OBJECTION OF LATE NOTIFICATION. In the event of a justified defect complaint, the Client will charge the supplier a one-time fee for the additional expense to process the error. The amount of the fee depends on when the error is discovered:
 - If the defectiveness of the goods/services is discovered during the inspection of incoming goods, the fee will be € 100,00 (hundred euro).
 - If the defectiveness of the goods/services is discovered afterwards, the fee will be € 250,00 (two hundred and fifty euro).The aforementioned fees shall be levied irrespective of any other claims on the parts of the Client, in particular, the Client reserve the right to file any claims for damages or subsequent performances.
THE PARTIES AGREE THAT THE DEADLINE TO NOTIFY DEFECTS IS THE SAME OF THE EXPIRY TERM FOR ADVANCING A CLAIM FOR DAMAGES RELATED TO THEM.
- 4.7

The Client shall have the unrestricted, irrevocable and within the Knorr-Bremse Group freely transferable right to use any software included in the scope of delivery, including any attendant documentation, in accordance with the intended use of the goods/services under the contract. He may also make a safety copy (backup) thereof without any prior express agreement or authorisation.
- 4.8

If required an on the demand of the Client, the parties agree to the establishment of a consignment warehouse.
5.

Secrecy
- 5.1

Any information made accessible by the Client shall not be disclosed to third parties insofar as it is not demonstrably known to the public. The information remains the exclusive property of the Client and shall only be made available to those employees within the Supplier's company that are necessary in the performance of the contract and who have been put under an obligation to secrecy themselves. With the exception of deliveries to the Client, such information may not be duplicated or used for commercial purposes without the prior written approval of the Client. On request of the Client, all information originating with the Client, no matter what kind or in what form, shall be immediately and completely returned to him or destroyed in connection with a written declaration of that effect.
- 5.2

The Client reserves all rights in such information (including copyright and the right to intellectual property applications). Insofar as the Client has acquired such information from third parties, this reservation also applies for the benefit of such third parties.
- 5.3

The Supplier may neither use himself nor offer or deliver any products to third parties that have been manufactured on the basis of the Client's documents, drawings, models and the kike or in the basis of confidential specifications of the Client or by means his tools or copies thereof. This shall correspondingly also apply for printing orders.
- 5.4

The contracting parties may only use their business connection for advertising purpose with the prior written consent of the other party.
6.

Inventions, Industrial Property Rights
- 6.1

The Supplier herewith grants the Client a free, transferable right of use without restriction as to the territory or time in any know-how and inventions of the Supplier that are capable of being protected and on which the goods/services are based or in which these are embodied, or which have come into being through development process during the business relationship. The Supplier shall organisationally ensure that he can meet his obligation to grant the right of use.
- 6.2

THE SUPPLIER IS AWARE THAT THE PRODUCTS OF THE CLIENT ARE BEING USED WORLD-WIDE. HE UNDERTAKES TO IMMEDIATELY NOTIFY THE CLIENT OF ANY USE OF PUBLISHED AND UNPUBLISHED, OWN AND LICENSED INDUSTRIAL PROPERTY RIGHTS AND PATENT APPLICATIONS REGARDING THE GOODS/SERVICES.
7.

Packaging, Delivery Note, Invoice, Country of Origin of Goods
- 7.1

The goods shall be packaged according to the provisions of the packaging handbook of the Client.
- 7.2

The Client shall be provided with a delivery note and a separate invoice regarding each consignment. These must contain the Supplier number, date and number of the order and/or release order and purchase agreement, quantity and material number, the tariff classification code (HS-Code), number and date of the delivery note, gross and net weights listed separately, additional data of the Client (e.g. point of discharge) as well as the agreed price per unit. A packing slip with a list of contents and order number must be enclosed with each consignment.
- 7.3

Should the invoice refer to several different orders, the information under 7.2 shall be listed separately for each order. The invoice may only refer to the delivery note.
- 7.4

The Supplier shall comply with national, European as well as international customs law regarding goods and services. A supplier whose place of business is inside the EU, shall provide the Client with a long-term supplier's declaration for goods with preferential origin status in accordance to Regulation (EC) No. 1207/2001. The long-term supplier's declaration must show the origin (i.e. the EU member state) contain or enable recoding to the material number of the Client. The supplier is obliged to issue information certificate INF 4 to verify the accuracy or authenticity of a supplier's declaration if asked by the Client according to Art. 6 Regulation (EC) No. 1207/2001 as amended from time to time. The Supplier agrees to notify in writing the Client immediately if the long-term supplier declarations are no longer valid. A supplier whose place of business is outside the EU shall provide the Client with an evidence of origin of goods by means of an official certificate of origin (issued by a competent authority) as part of each order and further potential documents (e.g. Form A, EUR.1, EUR-MED, A.TR), if legally required.
- 7.5

The supplier acknowledges that the goods/services or part of them may be subject to export controls and regulations and warrants to comply with all such applicable export laws and regulations (including U.S. regulations). The Supplier shall identify any part of the goods/services that is subject to export laws and regulations at the time of the acceptance of the Client's order and provide all relevant export control information, including the export control classification of all goods/services. This shall include the obligation to indicate in all delivery notes the correct export control classification number (including any U.S., EAR or ITAR classification), the number or reference of any applicable export license and distribution restrictions in this regard. In the event of change of the respective export control regulations or the export control classification, the Supplier shall inform the Client in writing accordingly. The Supplier shall be responsible for obtaining in time, at no cost to the Client, all necessary governmental export licenses, authorizations, approvals and clearances, required to ensure that (i) all goods/services to be delivered will be utilized by the Client in accordance with the purchase order and (ii) shipment of deliverables to the customer will be affected in due time. In case of an existing export license, the Supplier shall provide a copy of that document to the Client showing all relevant information, including any provisions, in particular but not limited with regard to re-export
- 7.6

The Supplier undertakes to fulfil the safety and reliability requirements issued by the customs authorities for the certification as an "Authorized Economic Operator" (AEO) (or equivalent). In case the Supplier is not certified as AEO and is not yet applying for it, he shall provide a separate safety declaration. The supplier shall inform the Client if safety or reliability requirements are not met or if their strict observance can no longer be ensured.
- 7.7

Notwithstanding any other provisions, the Supplier shall be liable to the Client for, and indemnify him against, all damages, losses and liabilities incurred by the Client due to a breach of the aforementioned obligations by the Supplier.
8.

Force majeure
- Any force majeure strikes or lockouts, disruption of operations through no fault of his own, riot; official governmental actions and other unavoidable events entitle the Client - irrespective of his other rights - to withdraw from the contract in full or part, provided these events result in a significant reduction of his needs and last for a significant period of time.
9.

Liability for Defects
- 9.1

Unless agreed otherwise below, the statutory provisions regarding defects of quality and title shall apply.
- 9.2

The Client may choose the method of subsequent performance.
- 9.3

Should the Supplier fail to start immediately with the repair of the defect within a period to be determined by the Client, the Client shall be entitled at the Supplier's expense to carry out the repair himself or have it carried out by a third party.
Should the Client, due to special urgency and in particular in defence against impending risks and/or substantial damage, be unable to notify the Supplier of the defect and the impending damage and to set a time limit, he shall be entitled to remedy measures without setting a time limit.
- 9.4

The guarantee shall expire 24 months after ultimately being put into service by the end customer, however, 36 months after delivery to the Client.
- 9.5

FOR PARTS REPAIRED OR REPLACED WITHIN THE WARRANTY PERIOD, THE WARRANTY PERIOD SHALL START A NEW UPON COMPLETED SUBSEQUENT PERFORMANCE. HOWEVER, THIS SHALL ONLY APPLY IF THE VOLUME, DURATION AND COSTS OF THE REPAIRS OR SUBSEQUENT DELIVERIES ARE NOT MERELY INSIGNIFICANT.
- 9.6

The Supplier guarantees that a specific good/service will not have a serial defect for a period of 48 months after delivery. A serial defect shall exist if the Client and the Supplier jointly determine based on the type of damage and the cause of damage that a damage may occur in all delivered goods/services of the same product or a certain quantity of the delivered series of goods/services (batch). Nonetheless, a serial damage shall exist if the same damage is determined during the warranty period in at least 2% of all delivered goods/services of the same product or a certain quantity of the series of goods/services (batch). To calculate the damage rate, all similar damages shall be considered with respect to the type of damage and/or the cause of damage that are determined within a period of maximum 48 months from the occurrence of the similar damages.
- 9.7

The Supplier shall bear the costs incurred by the Purchaser due to defective delivery of the goods/services, in particular costs for handling, transport traveling, labour, material, installation and modification, recall costs together with preventative exchange costs, costs for an incoming goods inspection that exceeds the ordinary scope as well as costs the Client has to bear for his customers due to statutory obligations. In all cases the insurance policy foreseen in art. 10.2 below must also cover this compensation hypothesis.
- 9.8

In case of culpable defect of title, in particular in case of infringement of third party industrial property rights, the Supplier shall indemnify the Client and his customers from all claims by third parties and shall compensate all costs the Client incurs due to a necessary and appropriate legal defence in connection with the infringement of third party rights. In respect of defects of title, a period of limitation of 7 years applies.
- 9.9

Should the Purchaser take back any products manufactured and/or sold by him due to defects of the goods/services delivered by the Supplier or should the remuneration of the Purchaser have been lowered or shall claims be made on him in other ways, the Purchaser reserves the right to recourse against the Supplier.
- 9.10

The Supplier warrants that the products supplied are free of flaws and defects that could be detected at any time, either before or after marketing the products, and that they are compliant with the established specifications and all legal requirements notified by the Client. It is understood that in the case of an alleged difference in the quality or conditions of the goods/services, if the Client requests an inspection by the Legal Authorities as laid down in art. 1513 of the Italian Civil Code, he shall be released from the consequences established in the last paragraph. In consideration of the Client's internal inspection to notify the Supplier of any flaws or defects in the goods delivered, even if already marketed, the Client will not be bound to observe the terms laid down in art. 1495 of the Italian Civil Code. The claims for such flaws and/or defects – if pertinent – may also be notified at any time after receipt of the goods, even if already assembled to the Client's own products and/or already delivered to the end customer, as well as when the related invoices have been already paid.
10.

Other Liabilities
- 10.1

Should the Purchaser be subjected to product liability claims; the Supplier shall indemnify him insofar and to the extent that the damage was caused by a defect of his goods/services. However, in case of tortious liability this shall only apply if the Supplier is at fault.
The Supplier shall bear the burden of proof, provided the cause of the damage lies within the scope of his responsibility. In these cases, THE SUPPLIER SHALL BEAR all costs and expenses, including the COSTS for bringing an action.
- 10.2

THE SUPPLIER UNDERTAKES TO TAKE OUT AND PROVE THAT HE IS COVERED BY PUBLIC LIABILITY INSURANCE for damages under extended product liability as well as for the costs of any recall action, such insurance to be taken out with a certified insurer within the EU. The sum insured shall be no less than EUR 5 million each for personal injury, property damage and extended product liability and recall costs.
- 10.3

The Supplier shall be liable for measures taken by the Client in defence against damages (e.g. recall action) insofar as he is obligated to do so under the law and/or contract.
11.

Third-party Industrial Property Rights
- 11.1

The Supplier warrants that no third-party industrial property rights are in conflict to the contractual use of the goods/services.
- 11.2

Insofar as the Supplier is at fault for the infringement of industrial property rights, he shall indemnify the Client from all third-party claims made against him in and out of court, including any costs incurred by the Client for a necessary and appropriate legal defence resulting from an infringement of industrial property rights.
- 11.3

Furthermore, the contracting parties shall notify each other immediately of any infringement risks and alleged cases of infringement and shall afford each other the opportunity to jointly counteract any corresponding claims.
12.

Assignment and Set-Off
- 12.1

The Supplier may not assign his claims against the Client nor have these collected by third parties without prior written approval, which may not be refused unreasonably.
- 12.2

The Client may withhold or set off payments based on his counterclaims.
13.

Retention of title
- 13.1

Any extended or wider retention of title on the part of the Supplier shall require an express separate agreement to be effective.
- 13.2

Any materials provided by the Client shall remain his property and may only be used for the intended purpose. Any processing of materials and assembly of parts is carried out on behalf of the Client. The Client shall have co-title in the products manufactured using his materials and parts in proportion of the value of the materials provided by him to the value of the overall products, which the Supplier shall keep for him.
14.

Quality and Documentation
- 14.1

The Supplier shall meet state-of-the-art of science and technology standards, safety provisions and agreed technical specifications for his consignments. For this purpose, he shall establish an appropriate quality management and provide evidence thereof.
- 14.2

The Supplier shall record in his quality documentation for all products, when, how and by whom a quality inspection ensuring defect-free production was carried out. These records shall be kept for 15 years as of the last time the Client placed the final product on the market and shall be provided to the Client if required. The Supplier shall be entitled to shorten the retention period if he can exclude any risk to life and health in the use of the products. Sub-supplier shall be obliged by the Supplier to the same extent within the limits of law.
- 14.3

Furthermore reference is made to clause 2.8 with regard to quality and documentation.
- 14.4

For products subject to fire and smoke certification requirements, the Supplier shall verify the validity of the relevant fire and smoke certificate prior to material delivery. If the certificate has expired, the Supplier shall provide the renewed certificate before or at the same time as the delivery of the materials.
15.

Safety and Environmental Protection
- 15.1

All packages shall be easily separable and recyclable, avoid compound unit packs and be made of naturally renewable materials. The corresponding information regarding product and material shall be made available.
- 15.2

Any persons carrying out work in performance of the contract on the premises of the Client shall observe the applicable safety and environmental protection regulations. Any liability for accidents that happen to these persons on the Client's premises shall be excluded unless these have been caused by intentional wrongdoing or gross negligence on the part of the legal representatives or vicarious agents of the Client.
- 15.3

In all other respects reference is made to clause 2.8 with regard to safety and environmental protection.
16.

Public contracts
- 16.1

The Supplier or Subcontractor, relating to a public contract, must fulfil all the obligations established by Ch. 3, Italian law n.136/2010, to provide the traceability of the financial movements related to the contract. Where this norm is applicable to the goods/services in progress or to be assigned, Knorr-Bremse Rail Systems Italia S.r.l. will communicate to the aforementioned Supplier or Subcontractor a univocal identification code CIG / CUP, which must be stated in the documentation related to the financial flows.
The Supplier or Subcontractor must:
1) Assume all obligations of traceability of the financial flows, according to Ch. 3, Italian law n. 136/2010, as amended;
2) Undertake to notify immediately notice to the Client and to the appropriate Government prefecture of the failure to fulfil the obligations of financial traceability committed by the persons required to comply with legislation.
The non-use of bank or post transfer or other instruments that allow the traceability of the financial transaction is reason of the termination of the order, according to Ch. 3, par. 9, Italian law n.136/2010.
The Supplier or Subcontractor shall communicate in written form to Knorr-Bremse Rail Systems Italia S.r.l. all the following information about his dedicate account:
a) The company specific data or rather the name, legal entity, Head Quarter, VAT number, Productive site related to the contract;
b) All data of the bank account, especially the IBAN code;
c) Names and references to specific individuals (natural persons) that, for the Supplier, will be delegated to act on the dedicated bank account or rather personal data and fiscal code;
d) If the bank account exists for the specific contract or was already existent and will be used for several public contracts.
Any changes to the above data must be immediately notified in a written form to Knorr-Bremse Rail Systems Italia S.r.l.
- 16.2

Where the public contract requires the application of and compliance with the obligations contained in Legality Protocols, Operational Protocols and similar (hereinafter, the 'Protocols') and where the Supplier falls within the category of subjects to whom said Protocols apply, the Supplier undertakes to:
1) adopt all necessary measures to ensure that the same Supplier and its chain of subjects involved in the fulfilment of the order comply with the obligations set out in the Protocols, including by means of a specific signature for acceptance;
2) comply with all the requirements that may be introduced following revisions of the Protocols, or with subsequent agreements or additional Protocols, even if these requirements are more onerous, thereby assuming all related charges and expenses;

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- 3) communicate to the Concessionaire indicated in the Protocols, before the stipulation of the order or the request for authorisation of subcontracts, the data and information required in the Protocols - to be entered in the national databases of suppliers/contractors - relating both to its own company and to all subcontractors who will be engaged by the Supplier in the execution of the order, for any reason whatsoever and regardless of the amount, until the completion of the execution of the respective services. The Supplier accepts that any violation of these obligations may result in the termination of the order pursuant to Article 1456 of the Italian Civil Code and/or the revocation of the authorisation for the relative subcontract stipulated by the Supplier. If the Protocols also require the transmission of data relating to changes in the corporate and management structures of the chain of companies, the Supplier undertakes to communicate such changes by the deadline indicated in the Protocols;
- 4) acknowledge and expressly accept that for the purposes of the Protocols, the anti-mafia information regime, referred to in art. 91 of Legislative Decree 159/2011 (Anti-Mafia Code), is extended to all subjects forming part of its business chain;
- 5) acknowledge and accept that this order will be terminated pursuant to art. 1456 of the Italian Civil Code or the authorisation to subcontract will be revoked, in the event that the anti-mafia checks carried out have given a disqualifying result even after the stipulation of this order or the authorisation to subcontract;
- 6) promptly inform the Prefecture and the Legal Authorities of any attempts at extortion that have been manifested in any way against the entrepreneur, the corporate bodies or the managers of the company. The aforementioned fulfilment is essential for the purposes of executing the order and failure to fulfil it will result in the express cancellation of the order itself, pursuant to art. 1456 of the Italian Civil Code, whenever a precautionary measure has been ordered against public administrators who have exercised functions relating to the stipulation and execution of the order, or a committal for trial has been issued for the offence envisaged by art. 317 of the Italian Criminal Code. The exercise of the right to terminate the contract by the Awarding Authority or Concessionaire, as indicated in the Protocols, or by the contracting company is subject to prior agreement with the National Anti-Corruption Authority;
- 7) accept that this order is subject to the express termination clause that provides for the termination of the same pursuant to art. 1456 of the Italian Civil Code, whenever a precautionary measure has been ordered or a committal for trial has been issued against the entrepreneur, his concessionaire or members of the company structure or managers of the company, with specific functions relating to the awarding, stipulation and execution of the order, for the crime referred to in art. 321 in relation to articles 318, 319, 319-bis and 320 of the Italian Criminal Code, as well as for the offences referred to in articles 319-quater subsection 2, 322, 322-bis subsection 2, 346- bis subsection 2, 353 and 353-bis of the Criminal Code The exercise of the right to terminate by the Awarding Authority or the Concessionaire, as indicated in the Protocols, or by the contracting company is subject to prior agreement with the National Anti-Corruption Authority;
- 8) communicate to the Inter-force Group, or to the subjects indicated in the Protocols, the data and information requested in the Protocols in order to allow for the monitoring of the labour flows;
- 9) prepare the contractual documentation in compliance with the guiding principles of the Protocols and, specifically, provide for a discipline that is as far as possible aimed at guaranteeing the protection of legality and transparency, in compliance with current legislation; as well as regarding the criteria for the qualification of companies and the methods and timing of payment of the progress of the works;
- 10) report to the Legal Authorities or the Investigating Police Authorities any attempt at extortion, any unlawful request for money, services or other benefits (such as pressure to hire personnel or entrust work, supplies or services), any act of intimidation or any other form of criminal coercion against the entrepreneur, the members of the company, the employees or their family members, during both the awarding and the execution phase. The Police Commissioner shall be promptly informed of the complaint and, after consulting the Legal Authorities and based on the information provided, will decide whether to inform the Awarding Authority;
- 11) comply with all the provisions of the Protocols, declaring to be fully aware of and to accept the system of sanctions provided for therein;
- 12) assume at its own expense the obligation deriving from compliance with the agreements/protocols promoted and stipulated with regard to the subject of security, as well as the repression of crime;
- 13) accept that the effectiveness of the transfer of receivables - carried out in relation to parties other than banks or financial intermediaries governed by banking and credit laws with the corporate purpose of purchasing business receivables - is subject to the prior acquisition, by the Awarding Authority, as indicated in the Protocols, through the Concessionaire, also indicated in the Protocols, of the anti-mafia information referred to in art. 91 of Legislative Decree no. 159/2011 at the expense of the concessionaire. Similar regulations are envisaged for all those subjects in the business chain, involved in any capacity in the execution of the works, who stipulate an assignment of credits. Therefore, the Supplier and its subcontractors within the supply chain must submit all the documentation required by the Protocols also for the consequent acquisition of the anti-mafia information pursuant to art. 91 of legislative decree no. 159/2011;
- 14) resort to the posting of labour - including workers posted by EU companies operating in accordance with Legislative Decree No. 136 of 17.07. 2016, implementing Directive 2014/67/EU of the European Parliament and of the Council of 15 May 2014 on the enforcement of Directive 96/71/EC concerning the posting of workers within the framework of the provision of services, and amending Regulation (EU) no. 1024/2012 on administrative cooperation through the internal market information system ("IMI Regulation") - only with the prior authorisation of the Concessionaire, indicated in the Protocols, for the entry of posted workers to the construction site; this authorisation is subject to the prior acquisition, by the Concessionaire indicated in the Protocols, of the anti-mafia information referred to in art. 91 of legislative decree no. 159/2011 on the posting company. The Supplier undertakes to provide similar regulations for all those subjects, involved in any capacity whatsoever in the execution of the works, who avail of the option to post workers;
- 15) take all appropriate organisational measures, including through service orders to its personnel, as well as to the personnel of the companies concerned, for the immediate reporting of attempts at extortion, intimidation or conditioning of a criminal nature, in whatever form it may take. The same obligation is contractually assumed by contracting companies, and by subcontractors in any capacity engaged in the execution of the works;
- 16) be aware of and accept that failure to comply with the obligations thus assumed will be evaluated by the Concessionaire, indicated in the Protocols, in the name and on behalf of the Awarding Authority, indicated in the Protocols, for the purposes of revoking contracts and sub-contracts;
- 17) ensure that the personnel present on site constantly display their identification badge referred to in art. 18, subsection 1 of Legislative Decree no. 81 of 9 April 2008, bearing the additional data prescribed by art. 5 of Law no. 136 of 13 August 2010, also for the purpose of recording their presence on an hourly basis. For employees, the same document will also be used for the purposes of recording working hours. The provision does not apply to personnel assigned to surveillance and control activities in the workplace;
- 18) ensure that the delivery note for the material indicates the licence plate numbers and names of the owners of the vehicles used to transport the materials, as prescribed by art. 4 of the aforementioned law no. 136/2010;
- 19) open the dedicated bank account within the time limit specified in the Protocols and in any case before carrying out any financial transaction relating to supplies/services relating to the public tender. The Supplier also undertakes to communicate to the Concessionaire, indicated in the Protocols, the data requested therein, as well as any subsequent changes;
- 20) authorise – where required by the Protocols and according to the terms indicated therein – by issuing a specific 'letter of indemnity, the financial intermediaries with whom the dedicated account has been set up, and to transmit to the Department for the Planning and Coordination of Economic Policy of the Presidency of the Council of Ministers (DIPe) the information required in the Protocols.
- The Supplier declares to be aware of its obligation to transfer the obligations assumed with this article to all subcontractors in its supply chain and, to this end, undertakes to ensure that the obligations referred to in this article are also transferred to all parties involved in any way in the execution of the order, by including contractual clauses with a content similar to those referred to in this article in all subcontracts stipulated by the same, and by attaching the Protocols to the same subcontracts, which will likewise be signed by said subcontracting companies for express acceptance. Failure by the subcontractors to comply with the obligations referred to in this article will result in the cancellation of this order. The Supplier accepts that any violation of these obligations may result in the cancellation of the order pursuant to art. 1456 of the Italian Civil Code and the revocation of the authorisation for the relative subcontract stipulated by the Supplier .
17. **Replacements Parts and Availability**
- Failing an agreement to the contrary, the Supplier shall be obligated to deliver replacement parts at appropriate conditions for the period of ordinary technical use, no less, however, than for 15 years after delivery of the last goods/services.
18. **Insolvency**
- Should any circumstances arise that prevent the Supplier from guaranteeing full compliance with the commitments assumed with the Client, in particular in the case of bankruptcy, agreement with creditors, any insolvency proceedings against the Supplier, liquidation or winding up of its business, the Client shall be entitled to terminate the contract via simple written communication.
19. **Recess**
- The Client reserves the right to terminate the contract, the Supplier undertakes to indemnify the expenses incurred and work performed. Notwithstanding the Art. 1671 Italian civil code, the lost profit is excluded from compensation and/or reimbursement.
20. **Corporate structure**
- The Supplier agrees to make known the structure of his own company, his executive management and his subsidiaries and affiliates, by filling out and returning a form that the Client will forward to the Supplier.
21. **Compliance with the Italian Legislative Decree no. 231/2001 and commitment to the ORGANISATION, MANAGEMENT AND CONTROL MODEL and ETHIC CODE OF CONDUCT ADOPTED BY KNORR - BREMSE RAIL SYSTEMS ITALY SRL**
- The Client has adopted its own Organisational, Management and Control (hereinafter the "Model 231") pursuant to the Italian Legislative Decree no. 231/2001 (hereinafter "Decree") and nominated its Supervisory Board 231.
- The Client exercising its tasks will not place, including through its employees, contractors, consultants, as well as its shareholders and directors: acts or behaviours contrary to the requirements laid down in its Model 231 and the Code of Ethics; acts or behaviours contrary to the provisions of the Decree no. 231/2001.
- According to this, the Supplier declares to be aware of the rules laid down by Decree related to the administrative liability; to undertakes, within the competence of his contractual activities, the principles and contents of the Model 231 and the Code of Ethics adopted by KNORR-BREMSE RAIL SYSTEMS ITALY S.r.l.
- The Supplier, as part of the contractual relationship with KNORR-BREMSE RAIL SYSTEMS ITALY Srl undertakes not to engage in, including through its employees, contractors, consultants, subcontractors and sub-suppliers (to whom it undertakes to impose compliance with the obligations set forth in this clause) as well as its shareholders and directors:
- acts or behaviours contrary to the provisions of Leg. n. 231/2001, namely that could cause or facilitate the commission of offenses covered by the Decree regardless of their actual consumption or criminality;
 - acts or behaviours contrary to the requirements specified by the Model 231 and the Code of Ethics adopted by KNORR-BREMSE RAIL SYSTEMS ITALY S.r.l. or otherwise such as to expose the Client to risks pursuant to Legislative Decree No. 231/2001;
- The Supplier undertakes to comply with requests for information or submission of documents by the Client and the Supervisory Board pursuant to Legislative Decree no. 231/2001 of KNORR-BREMSE RAIL SYSTEMS ITALY S.r.l.
- Should the Supplier fail, even partial, to fulfil the aforementioned obligations, KNORR-BREMSE RAIL SYSTEMS ITALY S.r.l. will have the right to terminate the contract and, in severe cases, to terminate it with immediate effect according to the art. 1456 of the Italian Civil Code, although, even regardless of the termination of the contract, the obligation for the Supplier to compensate any damage and injury resulting from that, including the obligation to indemnify and hold the Client harmless from any third party action arising out of or resulting from such failure, shall net be effected.
22. **Privacy**
- 22.1 The Supplier shall apply only staff which is competent in data protection requirements and which has been obliged by the Supplier to observe the data secret and which have been further advised by the Supplier that a breach of this obligation may constitute a punishable offence.
- 22.2 Personal data either transferred by the Purchaser or being created within the frame of performing the contract shall be collected, processed and used by the Supplier exclusively for the agreed purposes.
- 22.3 Personal data of the Supplier's staff generated by the Purchaser within the frame of the performance of the contract will be collected, processed and used by the Purchaser in accordance with the data protection provisions. The Supplier is obliged to inform his employees accordingly.
- 22.4 The Purchaser has provided the privacy notice concerning the data the subject of processing on its website <https://rail.knorr-bremse.com/it/about-us/knorr-bremse-in-italy/>. The duration of processing is strictly connected to the scope of the contract; the data will be processed according to the purposes of the contract, for the fulfilment of its scope and of all statutory obligations. The Purchaser confirms adoption of and compliance with current privacy regulations, with special regard to the provisions of the General Data Protection Regulation.
23. **Compliance with Labour and Social Security Laws**
- 23.1 The Supplier warrants, on its own behalf and on behalf of any of its subcontractors and sub-contractors, full compliance with all applicable laws, regulations and statutory requirements relating to workplace injuries, occupational diseases, healthcare assistance for its employees and any other forms of welfare and protection provided for the benefit of its employees. Furthermore, the Supplier warrants, on its own behalf and on behalf of its subcontractors and sub-contractors, compliance with all applicable laws and regulations governing the payment of social security and insurance contributions in respect of employees, members, and employee-members engaged in the performance of the services for the benefit of the Client. In particular, throughout the term of the contract, the Supplier shall comply, in relation to all personnel engaged in the performance of the services for the benefit of the Client, with all applicable regulations concerning Severance Indemnity, including legislation on supplementary pension schemes and the allocation of Severance Indemnity pursuant to Legislative Decree No. 252 of 5 December 2005, as subsequently amended and supplemented.
- 23.2 The Supplier shall also ensure that the types of employment contracts used are compliant with the applicable labour laws and regulations and are consistent with the work activities required and actually performed.
- 23.3 The Supplier warrants, on its own behalf and on behalf of any of its subcontractors and sub-contractors, that all personnel engaged in the performance of the services for the benefit of the Client shall be granted the economic and employment conditions provided for under the national and local collective bargaining agreements in force and applicable to the relevant sector and geographical area in which the services are performed.
- 23.4 The Supplier shall provide evidence, on its own behalf and on behalf of its subcontractors, that all personnel engaged in the performance of the services and already employed by them as of the date of execution of the contract/purchase order with the Customer have, up to such date, been duly paid all remuneration and social security contributions due, and that all amounts required to be accrued in respect of Severance Indemnity have been properly allocated and paid in accordance with the choices made by the employees and in compliance with the applicable laws and regulations governing such matters.
- 23.5 For the purposes set out in the preceding provisions, the Supplier shall, upon the Client's simple request and as a condition for the authorization of any payments due to it, provide documentation evidencing compliance with all obligations relating to social security contributions, remuneration, insurance and taxation with respect to the personnel engaged in the performance of the services.
- 23.6 Under no circumstances shall the Client be liable for any breach, default or non-compliance by the Supplier and/or any subcontractors or sub-contractors, for which the Supplier shall remain solely and exclusively responsible. In any event, the Supplier shall indemnify, defend and hold harmless the Client, both substantively and procedurally, upon first demand and without the right to raise any objection or defence, against any and all consequences arising out of or in connection with any failure to comply with applicable laws and regulations relating to employee remuneration (including direct, indirect and deferred compensation) and social security and insurance contribution obligations concerning the Supplier's employees and those of any subcontractors or sub-contractors. In particular, the Supplier undertakes to indemnify and hold the Client harmless, including where the Client is held liable as a jointly and severally liable party under applicable law, from and against any and all prejudice, losses, damages, liabilities, costs, charges and expenses, including reasonable legal fees and expenses, arising out of or relating to any claims, demands or actions brought by the Supplier's employees or those of any subcontractors or sub-contractors as a result of the improper performance or non-performance of obligations relating to remuneration, employee benefits, severance entitlements and the payment of social security and insurance contributions.
- 23.7 The Supplier shall further indemnify and hold the Client harmless in the event that the Client is required to answer for the obligations set forth in Article 26, paragraph 4, of Legislative Decree No. 81 of 9 April 2008, as amended from time to time, to the extent that such liability arises from any breach, omission or default attributable to the Supplier.
- 23.8 The Supplier warrants, on its own behalf and on behalf of its subcontractors and sub-contractors, full compliance with the obligations set forth in Law No. 68 of 12 March 1999, as amended and supplemented from time to time, concerning the employment of persons with disabilities, where applicable in light of its organizational size and business circumstances. Upon the Client's request, the Supplier shall provide appropriate documentation evidencing its compliance with the obligations under Law No. 68/1999, as well as the compliance of its subcontractors and sub-contractors. For this purpose, the Supplier undertakes to complete and submit any documentation or declarations that may be required by the Client. The Supplier shall promptly notify the Client of any claim, investigation, administrative measure, or circumstance that may result in a loss of such compliance.
- 23.9 The Supplier undertakes to include equivalent contractual provisions in any subcontracting or sub-contracting agreements entered into in connection with the performance of the contract/order and shall ensure compliance therewith by its subcontractors and sub-contractors.
- 23.10 Finally, the Supplier undertakes to voluntarily intervene, where it has not already been duly joined as a party, in any legal proceedings commenced by personnel engaged in the performance of the services for the benefit of the Client, for the purpose of supporting the Client's defence and/or directly settling the dispute, including by way of settlement, thereby immediately releasing the Client from any related obligation, burden or liability. In particular, the Supplier undertakes, upon first demand and against presentation of the relevant supporting documentation, to reimburse the Client for any legal costs and expenses awarded against it by a court, as well as an amount equal to the reasonable costs incurred by the Client for its legal representation and defence.
- 23.11 The Client reserves the right to carry out any audits, inspections, verifications and controls it may deem appropriate to ensure that the Supplier and any subcontractors and sub-contractors comply with the provisions set forth in this Article.
- 23.12 In the event of any breach by the Supplier and/or any of its subcontractors or sub-contractors of the obligations set forth in this Article, or of any applicable labour, employment, social security or welfare laws and regulations, the Client reserves the right to withhold payment of any amounts due, whether on account, interim or final payment, until the Supplier and/or its subcontractors or sub-contractors have demonstrated compliance with all applicable legal requirements. Such right shall be without prejudice to the Client's right to terminate the contract/order pursuant to and for the purposes of Article 1456 of the Italian Civil Code, as well as to claim compensation for any further losses or damages suffered.
- 23.13 The Supplier shall fulfill all human rights and environmental due diligence, prevention, remedial, documentation, and reporting obligations applicable to it and the respective goods/services in accordance with the applicable legal and official requirements. The Client's "Code of Conduct for Suppliers" in the version valid at the time of conclusion of the contract/order (<https://www.knorr-bremse.com/en/company/compliance/compliance-documents-and-policies/>) is an integral part of the contract/order; upon request, this will be provided to the Supplier in text form. The testing, verification, audit, and sanction mechanisms of the "Code of Conduct for Suppliers" shall take precedence; further legal rights and obligations remain unaffected. The Supplier shall immediately inform the Client of any significant violations or suspected cases relating to the subject matter of the contract/order.
24. **Occupational Health and Safety Obligations**
- 24.1 Where applicable to the type of services provided, the Supplier shall comply and shall ensure that its employees and any personnel engaged by it for the performance of the services, in whatever capacity, comply with all applicable laws, regulations, requirements, instructions and precautionary measures relating to health protection, accident prevention, occupational safety and hygiene in the workplace.
- 24.2 For such purposes, the Supplier shall:
- (i) provide the above-mentioned personnel with all instructions, training, equipment and protective measures required for the proper performance of the services;

(ii) use equipment, machinery and tools that fully comply with all applicable laws and regulations, ensuring that any required upgrades, maintenance or adjustments are carried out;

(iii) use products and materials that comply with all applicable legal and regulatory requirements;

(iv) supervise and ensure that personnel performing the services comply with all applicable health and safety requirements and operate in accordance with the information provided by the Customer pursuant to Legislative Decree No. 81/2008 regarding any specific risks existing in the areas where the services are performed, adopting all preventive, protective and emergency measures required by the activities carried out;

(v) employ, and in the event of subcontracting or sub-contracting ensure the employment of, only personnel holding the qualifications, certifications and authorizations required by law and possessing technical and professional skills commensurate with the specific manner in which the services are to be performed;

(vi) where applicable, cooperate, prior to the commencement of the services, in the preparation and integration of the Interference Risk Assessment Document (DUVRI) with respect to the facilities and premises where the services will be performed;

(vii) provide the personnel engaged in the performance of the services with appropriate Personal Protective Equipment (PPE)
- 24.3 In the event of any change in the subcontractors engaged in the performance of the services, the Supplier shall promptly notify the Client in order to allow, where necessary, a joint review and update of the Interference Risk Assessment Document (DUVRI).
- 24.4 The Supplier undertakes to include equivalent contractual provisions in any subcontracting or sub-contracting agreements entered into for the performance of the services and shall remain responsible for ensuring that such provisions are fully complied with by its subcontractors and sub-contractors.
- 24.5 In any event, should any conduct be identified that is in breach of the provisions of this Article, the Customer shall have the right to withhold payment of any amounts due, whether by way of advance, interim or final payment, until the Supplier and/or any subcontractors or sub-contractors have demonstrated full compliance with all applicable legal requirements. Such right shall be without prejudice to the Customer's right to terminate the Contract pursuant to and for the purposes of Article 1456 of the Italian Civil Code, as well as to seek compensation for any additional losses or damages incurred.
25. **Final provisions**
- 23.1 Place of jurisdiction for all disputes arising directly or indirectly from contractual relationships that are based on these Terms shall be the court of Florence (Italy) insofar as legally permissible, otherwise the place of business of the Client. FURTHERMORE, IT SHALL BE AT THE CLIENT'S DISCRETION TO BRING ACTION BEFORE A COURT AT HIS PLACE OF BUSINESS, THAT OF HIS BRANCH OFFICE OR AT THE PLACE OF PERFORMANCE.
- 23.2 The contractual relationship shall be governed exclusively by the applicable law at the place of business of the Client to the exclusion of the principles of conflict of laws and the UN Convention on Contracts for the International Sale of Goods (CISG).
- 23.3 Should one of the contractual partners discontinue payment or should his assets be subjected to insolvency proceedings or composition proceedings be instituted in or out of court, the other party shall be entitled to withdraw from that part of the contract that has not been fulfilled.
- 23.4 Should any provision of these Terms and of the other concluded agreements be or become invalid, this shall not affect the validity of all other provisions of these Terms. The contracting parties undertake to replace such invalid provision with a valid provision that as closely as possible reflects the economic purpose of the invalid provision.

Signature for ACCEPTANCE

I confirm that I have read and accept the terms specifically no. 4, 9, 10, 16 and 23, 24 and 25 of the "General Order and Purchasing Terms and Conditions"

Signature for ACCEPTANCE