

HEALTH, SAFETY AND ENVIRONMENTAL CONDITIONS

Art. 1 - SCOPE OF APPLICATION.

These Health, Safety, and Environmental Conditions (hereinafter "HSE Conditions") govern the health, safety, and environmental obligations in the provision of a service or performance of a work (hereinafter, generically, the "Contract") by a supplier (hereinafter "Contractor") to NKE Automation Srl (hereinafter "NKE Automation").

They form an integral and substantial part of any formal order issued by NKE Automation for the Contract (hereinafter "Order") to which it is attached or from which it is referred. These Conditions are supplemented by the Contract Technical Specifications, the schedule of work, the operating and quality procedures of NKE Automation or its end customer, and any other contractual documents governing the Contractor's performance of the Contract. In the event of any discrepancies between what is expressed in these general conditions and those expressed in the Order, the latter shall prevail.

Art. 2 - FOREWORD.

This document provides Contractors with essential information on the significant health, safety and environmental aspects that the Contractor and Subcontractors must address during their work on behalf of NKE Automation.

The Contractor and Subcontractors must use this information to develop adequate and sufficient documentation, identifying measures to be implemented during contract activities and defining their costs, maintaining a safe and orderly structure, and promoting best management practices for Health, Safety and Environment. Each requirement included in this document must be implemented when the specific hazard exists.

The information in this document will be considered as contractual conditions, and in case of violation of these conditions by Contractors and/or their Subcontractors, NKE Automation will apply to Contractors the provisions of paragraph 12 of this document. For Subcontractors, NKE Automation shall require the Contractors to subject them to the same contractual conditions and evidence of any penalties.

For NKE Automation, the protection of people's health, safety, environment, physical and psychological integrity are not only a legal obligation, but also a moral responsibility to its employees, contractors and society.

Any work that compromises worker and environmental safety is prohibited in NKE Automation. For this reason, any hazardous situation or unsafe behavior will result in suspension of work and restoration of safety and environmental conditions.

Art. 3 - DEFINITIONS AND ACRONYMS.

"Accident": An accident resulting in injury, with absence from work of at least one day¹, excluding the day of the event. In countries where local regulations stipulate that the prognosis is defined only on the day after the injury, the absence from work is counted from the day the prognosis is issued, excluding the day of the event (e.g., if the event occurs on day 1 and the prognosis is defined on day 2, with return to work on day 3, the event is classified as a medication and not as an injury).

"Associate" means in relation to any legal entity, any legal entity that directly or indirectly controls, is controlled by or under Common Control with such other legal entity, but such legal entity shall be considered an Affiliate as long as such Control exists.

"Asset" means any workplace, construction site, or object that NKE Automation owns, installs, or operates, either directly or through contractors and subcontractors.

"Home-work commute accident" means an accident that occurs during the commute/travel from the employee's home to the Workplace and vice versa, or when a company cafeteria is not available, during the travel to and from the meal consumption area.

"Complex Work" means a work activity that involves (or is performed by) more than one party (NKE Automation/Contractor) - who may or may not be working simultaneously at the Construction Site - or more than one work group of one party (Automation/Contractor), and depending on (but not necessarily in order of):

- ✓ Of the number of workers at the Workplace,
- ✓ Of the number of specific work activities at the Workplace,
- ✓ Of the complexity of the facilities and/or construction sites involved,
- ✓ Of the extent of the Yard,
- ✓ Of the total duration of the work,
- ✓ Of the equipment and operational tools used to The execution of the work,
- ✓ Of the proximity due to the presence of third parties.

"Contract" means the contract between a Contractor and Automation to which these HSE Conditions are attached.

"Contractor" or "Counterparty" means a natural or legal person or associations thereof with whom NKE Automation signs contracts for works, services and supplies.

"Control": in relation to any legal entity, means the possession, directly or indirectly, of the power to determine the management direction and/or policies of that legal entity, through the possession of the right to vote by contract or otherwise.

"NKE Automation" means the particular entity (NKE Automation directly or one of its Associates) that is a party to the Contract with the Contractor.

"Environmental Event" means an event that occurs at an asset with a potential impact or effect on the environment and/or the organization due to environmental issues.

"Missed Environmental Incident" means an unforeseen environmental event that is limited or terminated before reaching any environmental matrix and producing any impacts.

"Equipment" means the set of items intended to be used by workers for the purpose of performing a specific work activity.

"Fatal Accident" means an accident that resulted in the death of a person.

"First Aid" means an injury event involving medical treatment in a health care facility or the use of a first aid kit, with return to work no later than the day after the incident.

"Foreman" means a person who supervises the work and ensures the execution of the instructions given, ensuring the proper execution of the work by workers in compliance with health, safety and environmental regulations and company rules.

"Frequency Index": (number of Incidents/hours worked) x 1,000,000.

"Governmental Authority" means any national, federal, state, local, municipal, or other governmental, regulatory, administrative, judicial, public, or state body, governmental court or tribunal, agency, commission, authority, body or entity, or any political subdivision thereof, other entity exercising executive, legislative, judicial, fiscal, regulatory, or administrative functions or powers of or pertaining to the government (including any supranational body exercising such powers or functions, such as the European Union) having jurisdiction over the subject matter, Contract, or corporation in question.

"Hazard" means a source that has the potential to cause injury and illness. Hazards can include sources that can cause harm or situations

dangerous or circumstances with possible exposures that can lead to injury and illness.

"Hazardous Materials" means any substance subject, now or in the future to regulation, control, remediation, or otherwise regulated by applicable Law, including laws relating to the discharge, emission, spillage, release or threatened release into the environment or relating to the disposal (or organization of disposal), distribution, manufacture, processing, storage, treatment, transportation, or other use of such substances.

Hazardous Materials include, but are not limited to, chemicals, constituents, contaminants, pollutants, materials, wastes, any other carcinogenic, corrosive, flammable, radioactive, reactive, toxic or other hazardous substances or mixtures-whether solids, liquids, gases-excluding, however, common maintenance and cleaning substances.

"High Potential Incident" means an incident that did not cause a Fatal Incident, nor a Serious Incident, nor a Significant Incident, but could have caused them.

"HSE: Health, Safety and Environment.

"HSE Requirements": Technical Specifications of NKE Automation included in the Contract, legal and other HSE requirements applicable in the country.

"Accident" means an unplanned and unintended event in which an injury or illness occurred or could have occurred.

"Injury and Illness" means an adverse effect on a person's physical, mental or cognitive condition. Such adverse effects include occupational illness, infirmity, and death. The term "injuries and illnesses" implies the presence of injuries or illnesses, singly or in combination.

"Interference" or "Work Interference" means a work activity in which different parties (NKE Automation/Contractors) work on the same construction site:

- ✓ simultaneously, with a direct effect on the activities surrounding,
- ✓ at different times, whether the effects of the activities carried out by the person who worked before affect the person who has worked afterwards.

"Law" means all laws, statutes, ordinances, codes, rules, orders, decrees, judgments, injunctions, permits, licenses, authorizations of any legally constituted Governmental Authority, and subsequent amendments, additions, or repeals.

"Minor Incident" means an Incident that is neither Fatal, nor Serious, nor Significant, with at least one day's absence from work.

"OHS: Occupational Health and Safety.

"Personnel" means any individual who performs Contract-related activities under the control of the Contractor or a Subcontractor, regardless of the particular legal agreement for such activities (e.g., employees, persons working as independent contractors, agents, representatives, etc.).

"Requirement" means a stated need or expectation that is generally implied or mandatory. "Generally implied" means that it is customary or common practice for the organization and its stakeholders that the requirement or expectation under consideration is implied. A specific requirement is one that is stated, such as in documented information.

"Safety Observation" means the identification of unsafe behavior or a dangerous condition that could lead to an Incident.

"Missed Incident" means an Incident that did not cause injury or health problems, but had the potential to do so.

"Serious Accident" means an Accident that caused permanent or temporary disability with absence from work, falling into one of the following categories:

first prognosis, reported on the first medical certificate issued, of more than 30 days (calendar),

Prudent prognosis, until the injured employee is removed from the hospital/emergency room's endangered list, unknown prognosis estimated to exceed 30 (calendar) days. "Severity Index": (number of days lost/hours worked) x 1,000.

"Significant Incident" means an incident that is not classified as "Serious" but caused the injury or trauma listed below:

- ✓ Injury to a vertebrae/fracture of the pelvis,
- ✓ head injury,
- ✓ Any trauma caused by falling from height,
- ✓ 2nd and 3rd degree burns / Any burns caused by an event electric
- ✓ Health complications as a result of asphyxiation or poisoning,
- ✓ Loss of limbs or other mutilation,
- ✓ Cardiac and respiratory arrest (associated with the activity labor).

"Supplier Qualification Process": NKE Automation's procurement process is based on qualified suppliers for works, goods and services who can guarantee adequate levels of reliability and quality.

"Supplier Qualification System" means NKE Automation's system for selecting and evaluating suppliers aimed at identifying contractors who can guarantee adequate levels of reliability and quality.

"Work Site" means any site, office, workplace, or area where a work, supply of components, equipment, or material, or service activity is being, or is to be, performed by the Contractor on behalf of NKE Automation.

"Worker: see Personnel.

Article 4 - GENERAL OBLIGATION ON LABOUR LAW, HEALTH, SAFETY AND ENVIRONMENT.

The contractor guarantees:

- ✓ that the information it provides to NKE Automation for qualify as a supplier and to enter into the Contract, including in particular information about its HSE qualifications and performance, was true and correct when provided, and that no material changes made such information materially incorrect or misleading,
- ✓ that it has put in place, or intends to put in place promptly in place, adequate systems, procedures and management practices and that it employs suitably qualified Personnel to ensure that it can fulfill its HSE obligations under the Contract.

GENERAL HSE OBLIGATIONS

The Contractor undertakes to perform its obligations under the Contract in such a way as to ensure a healthy and safe Workplace for its Personnel, NKE Automation Personnel and third parties and to avoid damage to the environment, and to this end the Contractor shall:

- ✓ Comply with the applicable law on social security, occupational health and safety, and environmental protection,
- ✓ Comply with all applicable permits in connection with the Work,
- ✓ comply with these HSE Conditions and other HSE obligations established in the Contract,

- ✓ Comply with good industry practices, taking into account the principles contained in the Health and Safety Policies adopted by NKE Automation
- ✓ Cooperate with NKE Automation and others (principals, contractors, authorities, etc.), pursuing continuous improvement to ensure that health, safety, and the environment are protected to the maximum extent possible during Contract performance (e.g., by participating in innovative projects on HSE risk prevention and mitigation),
- ✓ Provide immediate information to NKE Automation on any HSE-related matter that could impact, impair, delay, or interfere with Contract activities.

In the event of an internal conflict between the provisions of this paragraph, the Contractor shall perform the Contract in a manner that maximizes the protection of health, safety, and the environment and may consult NKE Automation if it has any concerns in this regard.

Without prejudice to NKE Automation's commitment to health, safety, and the environment, the Contractor remains liable for any damage to health, safety, or the environment caused by its personnel or subcontractors due to non-performance or violation of the Contract.

SPECIFIC OBLIGATIONS ON HSE

As set forth in Article 3, the term Personnel includes the Personnel of Subcontractors, such that, to the extent that the Contractor, in accordance with the provisions of the Contract, uses Subcontractors in the performance of the Contract, this Paragraph requires the Contractor to have in place procedures to ensure that each Subcontractor complies with the obligations of this Paragraph with respect to the Personnel of Subcontractors.

The Contractor shall comply with all health, safety and environmental regulations for each Work Location, including emergency plans. To this end, the Contractor shall ensure:

- ✓ for Workplaces under the control of the Contractor, that it has established and communicated appropriate health, safety and environmental standards to all persons present at any moment in the Workplace and that they have put in place adequate procedures to monitor and enforce compliance with these standards for all such persons, or
- ✓ for Workplaces under the control of NKE Automation or third parties, that it has obtained, reviewed, and communicated to its Personnel the health, safety, and environmental regulations applicable to those Workplaces, and that it has put in place adequate procedures to monitor and enforce compliance with those regulations by its Personnel.

Each Party shall verify that all of its Personnel have appropriate personal identification and badges provided by the relevant Party, with photos and appropriate identifying information, proving that the person is a member of its Personnel for the purposes of the Contract. All Contractor Personnel must be provided with a visible external indication of the Party for whom the person works (e.g., logos on uniforms, helmets, etc., or clearly visible badges). Even if access to the Work Site is controlled by NKE Automation, the Contractor must perform its own control to identify its Personnel accessing the Work Site.

While mobilizing at a Work Site, or within or between different Work Sites, Contractor Personnel must at all times comply with applicable traffic laws, use seat belts (or helmets in the case of bicycles or motorcycles), and drive safely. Subject to any higher qualification required as a result of a risk assessment or required by Law, each driver must have at least one year of experience driving an equivalent vehicle.

Smoking is prohibited in all Workplaces (except in designated smoking areas) and all Parties shall cooperate to enforce this rule.

In all Workplaces it is prohibited:

- ✓ Possess or use firearms or ammunition for firearms
- ✓ Consuming or being under the influence of alcohol, narcotics or illicit psychotropic substances,
- ✓ Participate in disturbances such as quarrels, unlawful destruction of property, etc.

At Workplaces under the control of the Contractor/ NKE Automation/ third parties, the Contractor shall immediately and permanently remove from the Workplace any person found to be in violation of (a), (b), or (c) of this Paragraph, ensuring adequate enforcement of the Law as necessary.

Article 5 - HSE ORGANIZATION AND RESPONSIBILITY.

Throughout the duration of the Contract, the Contractor shall appoint:

HSE Key Person: one or more representatives, appointed by the Contractor prior to the commencement of contract activities, with a managerial role within the Contractor's work organization, with clear HSE roles and responsibilities defined by the Contractor, who will be NKE Automation's HSE contact person during the term of the Contract. In the event that the Contractor's personnel are not on site, the Contractor, in agreement with the Subcontractor, may appoint key HSE persons from among the subcontractor's personnel;

Foreman: one or more representatives, appointed by the Contractor from among its staff, each of whom is responsible for overseeing specific site activities and ensuring implementation of directives received, verifying proper execution by workers in accordance with HSE obligations under the Contract; The "Foreman" (who will manage individual activities and monitor safety-related issues) must possess the following skills:

- ✓ Knowledge of the activity to be performed and its development in a complex context, as well as the risks that this activity can generate against other activities,
- ✓ Leadership skills and ability to relate to the other profiles involved,
- ✓ Diligence in managing the activity in accordance with the agreed schedule,
- ✓ Proactivity and alertness in reporting to coordinators any deviations from the established schedule that may arise During the execution of the activity.

HSE Reporting Focal Point: The contractor must ensure a staff structure with a focal point for Safety and Environmental compliance that communicates with NKE Automation.

NKE Automation may, at its sole discretion, require the assignment of a certain number of the Contractor's or subcontractors' resources to HSE activities, taking into account the number of the Contractor's and its subcontractors' resources involved in the Contract; the Contractor agrees in advance to commit to the above upon request by NKE Automation.

NKE Automation reserves the right to verify the qualifications and credentials of the Contractor's HSE Personnel and, if they are deemed inadequate, to reject, in its sole discretion, a specific HSE person. The Contractor shall make available to NKE Automation the curriculum vitae of the HSE Personnel, showing their professional skills, the

academic background, credentials, past job performance and proven experience.

The Contractor warrants: that the information it provides to NKE Automation to qualify as a supplier to NKE Automation and to enter into the Contract, including in particular information about its HSE qualifications and performance, was true and correct when provided, and that no material changes have made such information materially incorrect or misleading.

Art. 6 - HSE SENSITIZATION AND COORDINATION.

COORDINATION MEETINGS: Prior to the commencement of contract activities, NKE Automation may convene the contractor to chair an initial Safety meeting to coordinate activities. Such meetings may be convened during the execution of the contract to review the progress of the work, either by NKE Automation or by the Contracting Entity. Representatives of the contracting companies should attend these meetings.

Article 7 - VEHICLES, MACHINERY, EQUIPMENT, TOOLS AND MATERIALS.

The Contractor shall:

- ✓ Provide all materials, equipment, and tools necessary for safe and high-quality performance of the work or service,
- ✓ Use machines, equipment and devices that comply with the Existing laws and to the standards of best practices set forth in applicable regulations,
- ✓ Make available (and transmit, if necessary) to NKE Automation, prior to the start of each activity, all information regarding the vehicles, machinery, equipment, and devices it intends to use. NKE Automation reserves the right to validate this information before authorizing the execution of the activity. In addition, NKE Automation may require a statement of responsibility in this regard signed by the Contractor,
- ✓ Refrain from using vehicles, machinery, equipment and devices owned by NKE Automation without prior written permission.

NKE Automation reserves the right to inspect all items and related documentation described in this paragraph, prior to and during the use of machinery, vehicles, equipment and tools, in order to verify their compliance with the Law, applicable HSE Standards and Requirements, and Contract provisions. In case NKE Automation finds any non-compliance during the inspection, the Contractor shall immediately stop and/or remove them from the Work Site.

Article 8 - CHEMICALS AND HAZARDOUS MATERIALS.

The Contractor must supply and use (if provided for in the contract) chemicals that are properly packaged and labeled so that the product contained and the risks to workers and the environment are clearly identified.

Packaging and labeling must also provide information for safe unloading, storage and handling. Corresponding safety, handling and storage data sheets must accompany materials, substances and mixtures. The datasheets, provided in the local language, must include the intended uses, limitations or requirements for storage measures (if any) for risk mitigation, and instructions for disposal, in accordance with applicable Law.

The Contractor shall maintain an updated file of all material safety data sheets for all chemicals and hazardous materials used in connection with the performance of the Work or at or near the Work Site or in any construction area related to the Work.

The Contractor shall minimize the use of Hazardous Materials and shall conduct its activities and have its Subcontractors conduct their activities in such a way as to prevent pollution of the environment or any other spillage of Hazardous Materials. The Contractor shall verify the absence of PCB-containing oils and the absence of CFCs, HCFCs, freons, commercially restricted substances, in the equipment supplied. The Contractor shall also avoid the use of asbestos in the materials/equipment supplied and in all PPE and tools used.

Unless otherwise provided for in the Contract, the Contractor shall be responsible for the management and proper disposal (within the terms set forth in the Contract) of all chemicals and Hazardous Materials brought to or generated at the Work Site by the Contractor or its Subcontractors, if any. The Contractor shall ensure that all Hazardous Materials, if any, brought to or generated at the Work Site by the Contractor or its Subcontractors:

- ✓ Are transported only by carriers holding valid permits and operating in accordance with such permits and the Hazardous Materials Laws under the manifest and documents of shipment that identify only the Contractor as the waste generator or person who arranged for the disposal of the waste,
- ✓ Are treated and disposed of only in treatment facilities, storage and disposal with valid permits operating in compliance with such permits and the Hazardous Materials Laws, from which, to the best of the Contractor's knowledge, there have not been and will not be any spills of Hazardous Materials.

The Contractor shall submit in advance to NKE Automation a list of all Hazardous Materials to be introduced or generated at the construction site. NKE Automation reserves the right to approve or reject this list. The Contractor shall notify NKE Automation of the status of all Hazardous Materials on the Work Site and inform it of their disposal.

If the Contractor or any of its Subcontractors releases Hazardous Materials on, at, or from the Work Site, or becomes aware of any person who has stored, released, or disposed of Hazardous Materials on, at, or from the Work Site, the Contractor shall immediately notify NKE Automation in writing. If the Contractor's Work is taking place in the area where such release has occurred, the Contractor shall immediately stop Work on the area in question. The Contractor shall, solely at its own expense, proceed diligently to take all necessary or desirable corrective action to completely clean up the contamination caused by any negligent release by the Contractor or any of its Subcontractors of Hazardous Materials, and Hazardous Materials or Hazardous Substances that have been brought or generated on the Work Site by the Contractor or any of its Subcontractors or suppliers, either inside or outside the Work Site.

If the Contractor discovers any Pre-existing Hazardous Material stored, released or disposed of on the Work Site, the Contractor shall immediately notify NKE Automation in writing. If the Contractor's Work affects the area where such material is found, the Contractor shall immediately stop any Work on the area in question and NKE Automation shall determine what action to take. The Contractor shall not resume performance of Work on the affected area except upon prior written authorization from NKE Automation

Art. 9 - REPORTS.

SECURITY INCIDENT REPORTING AND MANAGEMENT

The Contractor shall notify Safety Incidents and Observations related to the performance of the Contract, regardless of who is affected (Contractor personnel, NKE Automation, or third parties), as follows:

- ✓ Report to governmental authorities, in accordance with applicable law, on health and safety issues that are occur during the performance of the Contract, such communication (for coordination and mitigation purposes) should take place, if possible, after informing NKE Automation about it,
- ✓ notify NKE Automation immediately of any Accident or Work stoppage (at least by telephone),
- ✓ Within 6 hours (24 in the case of minor incidents) of occurrence: notify NKE Automation of each Incident Fatal, Serious, Significant or Minor, or High Potential Incident occurring during the performance of the Contract, by written notice, with a detailed description of the event, all available preliminary information, available medical prognoses, and copies of any reports filed with Government Authorities,
- ✓ Within 3 calendar days of the event, notify NKE Automation. any Missed Incidents, Safety Observations or Work Stoppages that have occurred during the performance of work on behalf of NKE Automation, by written communication also reporting the corrective/preventive measures taken.

In the event that NKE Automation appoints an analysis team to investigate the cause of an Incident, the Contractor shall give full cooperation, making prompt and diligent efforts to provide any information requested.

REPORTING AND MANAGEMENT OF ENVIRONMENTAL EVENTS

The Contractor shall immediately notify the NKE Automation representative in charge of supervising the work by telephone of any environmental event that occurs during the performance of the Contract. In the event of an event/material damage that requires reporting to the authorities, NKE Automation shall receive notification concurrently (not subsequently) to the authorities.

The Contractor shall immediately (and no later than 48h) inform NKE Automation of any evidence related to the audits and inspections carried out by the authorities and, in case of violation, of the actions taken or planned in agreement with the authorities in order to restore compliance with the law.

Article 10 - DOCUMENTATION.

At least three weeks prior to the start of each activity and considering all Personnel (workers of the contractor, subcontractors or self-employed workers), the Contractor shall provide, for that specific activity:

- ✓ In the cases mentioned in Article 88 of Legislative Decree 81/08/ smi, the Operational Safety Plan prepared in accordance with Annex XV of Legislative Decree.81/08 smi.
- ✓ In case of subjection to Article 26 of Legislative Decree 81/08, a detailed disclosure of the risks associated with the performance of its activities by virtue of the management of interference to be mitigated with the Duvri document prepared by NKE Automation or the Principal.
- ✓ Documents common to the two areas of subjection:
 - Risk assessment document prepared in accordance with the pursuant to Art. 17 paragraph 1 letter a) and Art. 28 of Legislative Decree 81/08, as amended.

- List of personnel employed to carry out contract activities
- Appointment of the RSPP (prevention and protection service manager) and related training courses
- Appointment of the Competent Physician
- Appointment of fire and first aid officers and related training courses
- List of machines and equipment and declaration of their conformity
- CCIAA on a valid tax stamp
- Valid durc
- RCT policy
- Average annual headcount
- For each worker employed in contract activities:
 - LUL or UNILAV
 - General and Specific Training under of ASR 21/12/2011
 - Machinery and equipment training under ASR 22/02/2012
 - Health fitness
 - Delivery of PPE (Devices of personal protection)
 - Copy of Identification Card

NKE Automation may request the documents necessary to allow access to the areas covered by the contract even if they are not expressly mentioned in the preceding points; should it be necessary for the purpose of technical professional verification and in the case of such risks for which special and additional training is required, as well as in the case of periodic verifications and following the client's requests, the contractor undertakes to provide the requested documentation within 5 days of the specific request.

The Contractor shall keep on file a file containing all such information, in the case of worker documentation, a file for each of its workers. The above documentation shall be subject to review and verification by NKE Automation prior to the start of the activity.

The Contractor shall keep the above documentation updated during the performance of the Contract and forward any updates to NKE Automation.

Article 11 - INSPECTIONS AND MONITORING.

NKE Automation has the right to carry out inspections or audits to monitor and verify compliance with the Contract-including, in particular, compliance with HSE obligations-and the Contractor shall promptly support related actions taken by NKE Automation NKE Automation personnel and/or third parties authorized by NKE Automation may enter the Contractor's Workplaces, premises, warehouses, or storage areas at any time to carry out the above checks and audits.

In particular, NKE Automation shall have the right to verify the identity of the Contractor's Personnel at any time.

NKE Automation reserves the right to monitor or control the Contractor's proper management of waste and other environmental issues.

NKE Automation reserves the right, if in accordance with local law, in order to verify HSE compliance of contractual activities, to require the Contractor to record personnel attendance as well as video or photographic recording of its workers during contractual activities. In this case, the Contractor will also cooperate with NKE Automation in order to define technological requirements, worker training, and related procedures and instructions.

Inspections performed by NKE Automation by authorized third parties do not imply approval by NKE Automation nor exemption of the Contractor, as far as HSE compliance aspects are concerned, from the obligations and responsibilities related to the proper execution of its contractual activities. The Contractor, as a preventive measure, shall conduct its own inspection of the activities in order to detect any situations of non-compliance and then implement the necessary corrective actions

In the event that non-conformities are found during inspections by the Contractor or its Subcontractor, NKE Automation will notify the Contractor. The Contractor shall, within 5 working days, provide clarifications on the causes and/or reasons that led to such situations and propose the necessary corrective measures (which shall be implemented within 3 weeks from NKE Automation's acceptance, unless NKE Automation requests a shorter period), without being entitled to any deferment of the deadline for the execution of the work activities

Where possible, detected nonconformities should be immediately resolved by the Contractor and reported as resolved in the HSE Nonconformity Report. For more complicated cases, a deadline for resolution will be agreed with the Contractor and will be duly reported in the same Report.

In cases where non-compliance with HSE requirements results, in the judgment of NKE Automation, in imminent danger, defined as any situation that creates a clear and manifest risk of harm to the physical integrity of persons or the possibility of serious environmental damage, NKE Automation may require work to be stopped until the problem is resolved. Thereafter, NKE Automation requires the implementation of a remediation plan with time frames to be agreed upon with NKE Automation.

Any violations/nonconformities detected as a result of checks and audits are recorded by NKE Automation, with penalties being assigned relative to the severity of the violations/nonconformities identified.

Article 12 - CONSEQUENCES OF VIOLATIONS OF HEALTH, SAFETY AND ENVIRONMENTAL REQUIREMENTS.

In the event that the Contractor violates a Health and Safety protection obligation, the Contractor shall indemnify and hold NKE Automation harmless for any loss or expense that NKE Automation may suffer or incur as a result of:

- ✓ any Incident; and/or
- ✓ Any claims or lawsuits filed
By the natural or legal persons involved in the Incidents; and/or,
- ✓ Any fine, penalty or sanction imposed by an authority on NKE Automation because of the Incident.

In the event that the Contractor violates a Health and Safety protection obligation, NKE Automation, in its sole discretion, and to the extent not contrary to applicable Law, may:

- ✓ Require the Contractor to implement a timely remediation plan to strengthen Health and Safety measures (ad example, specific training courses) related to HSE prevention and protection deficiencies identified at any time, and/or
- ✓ suspend the execution of the Contract, for a number of days corresponding to the severity of the violation-or until verification of any adjustments or corrective actions taken to address the violation-without giving the Contractor the right to extend the deadline for completion of the work or for payment or compensation of any kind, and/or
- ✓ In the event of a violation or if the worker's conduct poses a risk to its own or a third party's integrity, require its immediate removal from the site and replacement, and/or

- ✓ apply the sanctions set out in ANNEX 1 of these Conditions, and/or
- ✓ suspend payment of sums due to the Contractor, in the amount of 10% of the sums accrued at the time of the Health and Safety infraction, until the Contractor implements corrective measures, and/or
- ✓ in the event of a Fatal/Serious Incident or High Potential Incident, suspend the Contractor and/or its Subcontractors and/or its Associates from the Supplier Qualification System, and/or
- ✓ Terminate the Contract in accordance with Article 12 of these Conditions.

In the event that the Contractor violates an Environmental obligation, the Contractor shall indemnify and hold NKE Automation harmless for any loss or expense that NKE Automation may suffer or incur as a result of:

- ✓ any Environmental Event, and/or
- ✓ Any claims or lawsuits filed
By natural or legal persons affected by the Environmental Event; and/or,
- ✓ Any fine, penalty or sanction imposed by an authority on NKE Automation because of the Environmental Event.

In the event that the Contractor violates an Environmental protection obligation, NKE Automation, in its sole discretion, and to the extent not contrary to applicable Law, may:

- ✓ suspend the performance of contractual activities, for a number of days corresponding to the severity of the violation - or until verification of any adjustments or corrective actions taken to address the violation-without giving the Contractor the right to extend the deadline for completion of the work or for payment or compensation of any kind, and/or
- ✓ require the Contractor to ensure that its own employees-responsible for the violation-attend up to 16 hours of additional environmental training. Employees responsible for such violations may be readmitted to the worksite only after attending the prescribed specific training courses, and/or
- ✓ Apply the sanctions set forth in Art. 12 of these Conditions
- ✓ Suspend payment of sums due to the Contractor, to the extent of 10% of the sums accrued at the time of the environmental violation, until the Contractor implements the changes to its environmental management system required by NKE Automation, and/or
- ✓ suspend the Contractor and/or its Subcontractors and/or the Associate of the Contractor from the Supplier Qualification System, and/or
- ✓ terminate the Contract in accordance with Article 12 of these Condition.

PENALTIES FOR VIOLATIONS OF HEALTH AND SAFETY PROTECTION REGULATIONS

Without prejudice to the right to terminate the Contract, as provided in Article 12 of these Conditions, and without prejudice to the right to claim further damages, NKE Automation also has the right to apply, by notifying the Contractor by registered letter with return receipt (or other similar means of communication with acknowledgement of receipt), the penalties listed and quantified in ANNEX 1 "Penalties for HSE violations related to the specific Country".

If the violations cause an Incident or a High Potential Incident, which could have resulted in a fatal/serious personal injury, whichever way NKE Automation determines that the Contractor or Subcontractor is clearly responsible for the Health and Safety violation, NKE Automation reserves the right to impose - depending on the severity of the violation and/or injury and/or personal injury - a penalty of up to 10% of the total contract value (or maximum) and in no case less than the amount defined for "VERY SEVERE (II)" violations.

TERMINATION OF THE CONTRACT FOR REASONS ATTRIBUTABLE TO HEALTH, SAFETY AND ENVIRONMENTAL REQUIREMENTS

NKE Automation, at its sole discretion, may terminate the Contract in the event of:

- ✓ Fatal/serious accident during the performance of the Contract, in which the Contractor is, as determined by the analysis of the investigation on the accident carried out by NKE Automation the main person responsible for the fatal accident; or
- ✓ Fatal/serious accident while performing another contract with NKE Automation by the Contractor or a company in the Contractor's Group, where the Contractor or the relevant company in the Contractor's Group, is responsible for the fatal accident and NKE Automation's assessment of the Contractor's and/or the Contractor's Group company's HSE organization has a negative outcome; or
- ✓ the contractor does not implement the actions defined in the plan of rehabilitation (proposed by the Contractor after an HSE default and validated by NKE Automation) within the specified timeframe, or
- ✓ The amount of security penalties applied because of the violation reaches the greater of 11% (eleven percent) of the value of the Contract and the equivalent of 20 serious penalties, or
- ✓ The amount of environmental penalties applied because of the violation reaches the greater of 11% (eleven percent) of the value of the Contract and the equivalent of 20 serious penalties, or
- ✓ violations by the Contractor and/or any Subcontractor of the legal requirements for environmental protection, resulting in at least one of the following consequences:
 - High diffuse impact: irreversible long-term environmental damage to biodiversity,
 - Failure to comply with legal or licensing requirements that could result:
 - An effect on licensing,
 - civil/criminal cases with restriction of freedom of NKE Automation personnel or with involvement of responsibility of NKE Automation personnel,
 - closure of Environmental Assets,
 - Image damage and/or negative media involvement nationally and internationally for one or more high-impact events.

Art. 13 - APPLICABLE LAW AND COURT OF JURISDICTION.

These conditions are governed by current Italian law. Any dispute between NKE Automation and the Contractor arising out of or in connection with the interpretation and execution of these conditions shall be subject to the exclusive jurisdiction of the Court of Turin, to the exclusion of any competing jurisdiction.

THE CONTRACTOR.

Date, stamp and signature

ANNEX I

LIST OF SERIOUS, VERY SERIOUS AND EXTREMELY SERIOUS SECURITY VIOLATIONS

INDICATIVE LIST (NOT EXHAUSTIVE) OF SERIOUS, VERY SERIOUS AND EXTREMELY SERIOUS HEALTH AND SAFETY VIOLATIONS

CATEGORY	VIOLATION	GRAVITY
Reporting Incidents	Failure to transmit to NKE Automation (within 6 hours) any reports of Fatal, Serious or Significant and High Potential Occupational Incidents.	III
	Failure to notify NKE Automation (within 24 hours) Non-serious accidents at work. Excluding accidents on the home-work commute.	II
General Provisions	Failure to attend coordination meetings (if required by law and/or contract and/or these HSE Conditions and/or HSE Requirements).	I

General Provisions	Execution of activities before the appointment/designation of the team leader.	III
	Poor supervision of the activities to be performed (e.g., lack of experience, insufficient supervision).	II
	Failure to perform the "Pre-work Verification" (where applicable).	II
	Consumption or possession or distribution of alcohol or drugs in the Workplace.	III
	Employment of personnel not disclosed to NKE Automation or unauthorized.	III
	Employment of personnel lacking the professional profiles/qualifications/training required to perform activities in accordance with the Act and/or the Contract and/or these HSE Conditions and/or HSE Requirements (high-risk activities such as electrical work, confined space work, work at heights, underwater work, and mining work).	III
	Employment of personnel lacking the professional profiles/qualifications/training required to perform the activities in accordance with the Act and/or the Contract and/or these HSE Conditions and/or the HSE Requirements (other activities).	I
	Commencement of activities prior to written approval from NKE Automation.	III
	Use of vehicles/machinery/special equipment that does not comply with the National Law and technical standards.	II
	Use of special vehicles/machinery/equipment not previously declared to NKE Automation (e.g., hoists/lifting equipment, buckets).	II
	Unauthorized use of special vehicles/machinery/equipment owned by NKE Automation	II
	Lack of relevant documentation to certify inspections/tests on the Contractor's vehicles/machinery/special equipment used during the work on behalf of NKE Automation, according to the applicable Law.	II



**HSE REGULATION
SAFETY, HEALTH AND ENVIRONMENTAL
CONDITIONS CONTRACTORS**

Rev.01
14 / 10 / 2022

<p>Failure to comply with rules related to the Highway Code, speed limit and safe driving. In case the behavior causes a dangerous situation, the severity could be increased to III.</p>	I (III)
<p>Tampering with scaffolding/temporary structures/protective measures belonging to NKE Automation or other contractors.</p>	III
<p>Lack of use and handling (failure to control, tampering, misuse, etc.) of work equipment (platform, ladder, scaffolding, machines, tools, etc.).</p>	II
<p>Unauthorized removal of fences, locking devices, locks, prohibition and warning signs.</p>	II
<p>Lack of Contractor's procedures related to safety-relevant activities to be performed.</p>	II

Legend

I: Serious Violation

II: Very Serious Violation

III: Extremely serious violation that will cause a significant downgrade of the VendorRating Index.

CATEGORY	VIOLATION	GRAVITY
General Provisions	Failure to comply with the provisions set out in the Health and Safety Plan for interference management.	II
	Failure to use PPE/Use of PPE that does not comply with the Law and/or the Contract and/or these HSE Conditions and/or the HSE Requirements (e.g., CE mark of conformity related to the Community European or equivalent standard) or damaged	II
	Insufficient lighting of the work area	I
	Failure to mark the Worksite or adopt appropriate barriers to fence off the area (if necessary).	II
	Failure/incorrect/incomplete installation of safety signs for temporary road work.	I
	Failure to follow instructions provided by safety signs.	II
	Failure to comply with the ban on smoking	I
	Failure/incorrect/incomplete adoption of safety signs.	I
	Cleaning/storage of inappropriate materials on Workplaces.	I
	Lack of adequate measures for emergency management.	II
	Inadequate distribution of drinking water/food.	II
	Inadequate setup of the relaxation area.	II
	Insufficient number of toilets/changing rooms for the activity.	I
	Lack of adequate means of emergency response or paramedical personnel (if needed).	III
Failure to comply with Health and Safety requirements under the law and/or the Contract and/or these HSE Conditions and/or HSE Requirements not mentioned in the other items in this list.	I	
Electrical Hazards	In case of live work, failure to apply/incorrect or incomplete application of respective Health and Safety procedures.	III
	Failure to apply/incorrect or incomplete application of the 5 golden rules related to electrical hazard.	III
	Failure to use PPE and collective protective equipment (CPD) for electrical hazards.	III
	Use of PPE and Collective Protective Equipment (CPD) for electrical hazards that do not comply with the Act and/or the Contract and/or these HSE Conditions and/or the HSE Requirements.	III
	Non-compliance/incomplete compliance with other Laws and/or Contracts and/or these H S E Conditions and/or HSE Requirements related to the prevention of electrical hazards.	II
Working at height	Failure to use PPE and collective protective equipment (CPD) in relation to fall from height hazards.	III
	Use of PPE and Collective Protective Equipment (CPD) for fall from height hazards that do not comply with the Act and/or the Contract and/or these HSE Conditions and/or the HSE Requirements.	III
	Non-compliance/incomplete compliance with other Laws and/or Contracts and/or these H S E Conditions and/or HSE Requirements related to work at height.	III
	Use of scaffolding that does not comply with applicable regulations or use of scaffolding of other contractors or third parties without prior authorization.	II

Mechanical load lifting	Improper use of cargo lifting equipment/adoption of incorrect cargo lifting procedures.	II
	Lack of or non-compliance with the Health and Safety Plan for load lifting operations with mechanical equipment.	II
	Failure to meet the load bearing capacity of floors, platforms, grids, etc.	III
Work with exposure to chemical hazards	CARCINOGENIC, MUTAGENIC, ACUTE TOXIC SUBSTANCES	
	Failure to notify NKE Automation of the introduction of such chemicals into Workplaces.	III
	Failure to comply/incomplete compliance with Health and Safety regulations and NKE Automation's labeling and MSDS requirements during handling, transportation, use and storage of chemicals.	II
	OTHER CHEMICALS <i>e.g., chemicals that can produce: skin corrosion/irritation, severe eye damage/eye irritation, respiratory/cutaneous sensitization, specific target organ toxicity, respiratory hazard, reproductive toxicity</i>	
	Failure to notify NKE Automation of the introduction of such chemicals into Workplaces.	II
	Failure to comply/incomplete compliance with the Act and/or the Contract and/or these HSE Conditions and/or HSE Requirements regarding labeling and MSDS during handling, transportation, use and storage of chemicals.	I
Work with exposure to physical agents	Emission of physical agents (e.g., noise, vibration, dust) not disclosed to NKE Automation, or beyond authorized threshold limits, or that could cause harm to NKE Automation or third parties.	II
Work with exposure to fire/explosion hazard	Failure to comply/incomplete compliance with the Act and/or the Contract and/or these HSE Conditions and/or the HSE Requirements on Fire Prevention Measures.	II
	Failure to comply/incomplete compliance with the Act and/or the Contract and/or these HSE Conditions and/or the HSE Requirements on Explosive Atmosphere Protection Measures (ATEX) as classified by NKE Automation.	III
High Temperature Work (welding and cutting)	Work performed not in compliance with the Law and/or the Contract and/or these HSE Conditions and/or HSE Requirements related to high temperature work.	II
Excavation (depth greater than 1.5 m)	Unprotected activities against exposure to excavation-related Health and Safety hazards (e.g., unprotected excavation, personnel within operating radius of excavation machine).	II
Work in confined spaces	Activities not protected against exposure to Health and Safety hazards related to confined spaces classified by NKE Automation (e.g., failure to control atmosphere, number of rescue personnel).	III
Work above water/ with hydraulic risk	Work performed not in compliance with the Act and/or the Contract and/or these HSE Conditions and/or HSE Requirements related to work above water.	II
	Work performed not in compliance with the Act and/or the Contract and/or these HSE Conditions and/or HSE Requirements related to hydraulic risk.	III
Underwater works	Work performed not in compliance with the Law and/or the Contract and/or these HSE Conditions and/or HSE Requirements related to underwater works.	III

Legend

I: Serious Violation

II: Very Serious Violation

III: Extremely serious violation that will cause a significant downgrade of the Vendor Rating Index.

INDICATIVE LIST (NOT EXHAUSTIVE) OF SERIOUS, VERY SERIOUS AND EXTREMELY SERIOUS ENVIRONMENTAL VIOLATIONS

CATEGORY	VIOLATION	GRAVITY
General Provisions	Falsification of legal documents in environmental matters	III
	Recurrence of the same very serious environmental violations (reported in this list as severity II)	III
	Starting activities without all necessary internal approvals from NKE Automation related to environmental aspects	II
	Activities carried out in violation of NKE Automation's internal Environmental Systems regulations or contractual environmental clauses.	II
	Failure to take out environmental liability insurance to cover environmental liabilities (if applicable)	II
	Recurrence of the same serious environmental violations (reported in this list as severity I).	II
	Employment of personnel without professional profiles/qualifications/training required to understand and comply with all environmental protection requirements and regulations applicable to the execution Of the Contract.	I
	Failure to submit environmental reports by the deadline	I
	Failure to attend coordination meetings (if required by environmental legislation or stipulated in the contract)	I
Reporting events	Failure to take appropriate mitigation measures in a timely manner in the event of an environmental event/damage	III
	Failure to immediately (and in any case no later than 48h) notify NKE Automation of any evidence related to the controls and inspections carried out by the authorities and, in case of violation, of the actions taken or planned in agreement with the authorities in order to restore compliance with the law	III
	Failure to immediately notify NKE Automation (and/or the authorities, where required) of any environmental event occurring during the performance of the Contract that results in an obligation to report to the authorities.	III
	Failure to immediately notify NKE Automation of any environmental event that occurs during the performance of the Contract and that does not result in an obligation to report to the authorities.	II
	Failure to submit, within a maximum of 24 hours, a written report on the environmental event, including its causes and the measures taken to manage and resolve the event.	II
	Failure to submit written notice of an Environmental Incident Failure, within 3 calendar days.	I
Compliance - Atmospheric Emissions	Performance of activities without an air emission permit or failure to implement preventive operational measures necessary to comply with the limits set by the permit or applicable regulations.	III
Compliance - Water Protection	Carrying out activities without a wastewater discharge permit or failure to implement preventive operational measures necessary to comply with established limits by the permit or applicable regulations.	III
	Unauthorized use/suction of water	III

	Repeated or systematic suction/use of water beyond the allowable flow rate limit	II
Compliance - Soil Protection	Lack of preventive measures to prevent soil contamination (e.g., concrete truck washing, diesel tank holding tanks)	I
Compliance - Waste	Waste management without a permit or not in accordance with the permit or applicable regulations.	III
Compliance - Other	Execution of activities without a permit or in the absence of the implementation of preventive operational measures necessary for compliance with current regulations on environmental matrices: atmospheric emissions (e.g., vehicle dust), water discharges (e.g., domestic wastewater and stormwater), waste management, land use, management of Non-Hazardous Materials, noise and vibration emissions, biodiversity, protected areas, archaeological sites, specific qualification of personnel, etc.)	II

Legend

I: Serious Violation

II: Very Serious Violation

III: Extremely serious violation that will cause a significant downgrade of the VendorRating Index.

PENALTIES FOR HSE VIOLATIONS

The following table shows, the minimum economic amount of the specific penalty.

Country	Currency	Health and Safety Violations			Environmental violations		
		Grave (I)	Very Severe (II)	Extremely Severe (III)	Grave (I)	Very Severe (II)	Extremely Severe (III)
Italy	Euro	500	1.000	1.000	500	1.000	1.000