

LICENSE FOR LIMITED SCOPE MANUFACTURING AGREEMENT

This License for Limited Scope Manufacturing Agreement (hereinafter referred to as the "**Agreement**") is made as of June 1st 2021 by and between:

BONFIGLIOLI TRANSMISSION PVT LTD., a company existing under the laws of India, having its registered office at Plot AC7 – AC11, Sidco Industrial Estate, Thirumudivakkam, Chennai 600 044, India, legally represented by **Mr. Kennady Kaippally**, (hereinafter referred to as the "Manufacturer"),

and

BONFIGLIOLI S.P.A., a company duly incorporated and existing under the laws of Italy with registered address at Via Cav. Clementino Bonfiglioli 1, Calderara di Reno, Bologna, Italy, legally represented by **Mr. Fausto Carboni** (hereinafter referred to as the "Licensor").

Manufacturer and the Licensor are hereinafter jointly referred to as the "Parties" and each individually as a "Party".

WHEREAS

- a) Bonfiglioli Group (hereinafter referred to as the "**Group**") is a leader in the power transmission and control market. It develops, manufactures and distributes gear motors, drive systems, gearboxes and inverters.
- b) The Licensor and the Manufacturer are both part of the Bonfiglioli Group, The Licensor is the owner of certain intellectual and industrial property rights as, by way of example and not by way of limitation, trademarks, patents, drawings, utility models, design rights, know-how, pertaining the Products (hereinafter, "**Intellectual Property Rights**");
- c) During the last years the market's needs have pushed to localize certain production line closer to the customers' premises.
- d) The Manufacturer has substantially achieved the capability to perform autonomously the on-site manufacturing activities of the Products managing freely the procurement activities directly from local suppliers or from the Licensor or other Group entities belonging to the Bonfiglioli Group.
- e) For the purpose of this Agreement, the Licensor hereby acknowledges the capability and technical skills of the Manufacturer to acquire the Licensor's Intellectual Property Rights for performing limited scope manufacturing activities. The Licensor therefore desires to grant the Manufacturer with a non-exclusive license to use its own Intellectual Property Rights for the Limited Scope Manufacturing of the Products;
- f) The Parties acknowledge that the Licensor, during the period of validity of this Agreement is willing to perform research & development activities aimed at enhancing and updating the Intellectual Property Rights to be licensed under this Agreement.
- g) This Agreement memorializes the verbal understandings of the Parties.



NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained the Parties agree as follows:

Section 1 Interpretation

1.1 Definitions. Wherever used in this Agreement including the preamble hereto, unless the context otherwise requires, the following words and terms shall have the respective meanings ascribed to them as follows

"Agreement": means this Agreement, the premises and any Attachment which may be amended, modified or supplemented from time to time as provided herein;

"Confidential Information" means, with respect to a Party, any and all data and information of such Party which is not in the public domain, including know-how and trade secrets, that relates to, or is contained or embodied in, any or all of the Products, Intellectual Property Rights, and/or the business, plans, affairs or activities of such Party, or its licensors. Confidential Information may be communicated electronically, orally, visually, in writing or in any other recorded or tangible form. All data and information shall be considered to be Confidential Information hereunder (a) if the transmitting Party has marked them as such, (b) if the transmitting Party, electronically, orally or in writing, has advised the other Party of their confidential nature, or (c) if, due to their character or nature, a reasonable Person in a like position and under like circumstances would treat them as confidential;

"Effective Date" means January 1st 2021;

"Fiscal Year" means the period between January 1st and December 31st of each year;

"Intellectual Property Rights" means the existing Bonfiglioli technology and any further developments, including but not limited to drawings, know-how, production & trade secrets related to the Products as well as the right to use the Bonfiglioli trade name.

"Products" means individually and/or collectively (as the context requires) any product and related components listed in Annex 1 which is manufactured by the Manufacturer;

"Person" means any individual, corporation, trust, estate, partnership, joint venture, Licensor, association, league, governmental bureau or agency, or any other entity regardless of the type or nature thereof;

"Net Sales" means Sales of Products made by the Manufacturer net of discounts and allowances.

"Territory" means India, Pakistan, Bangladesh, Sri-Lanka, Nepal or any other territory where the Manufacturer may sell the Products with the consent of the Licensor.

1.2 Extended Meanings. As the context requires, words herein importing the singular number include the plural, and vice versa, words importing the masculine, feminine or neuter genders include the others of them, and words importing persons shall include

bodies corporate, corporations, partnerships, sole proprietorships, organizations, joint-ventures, enterprises and branches. References to articles, clauses and attachments, unless otherwise stipulated, are references to articles, clauses and attachments of the Agreement references to any statute or statutory provision shall be construed as references to such statute or statutory provision as respectively amended or supplemented and shall include any subsidiary legislation enacted under the relevant statute. Where a word or term is defined herein, other parts of speech and grammatical forms of the same word or term shall have a corresponding meaning.

- 1.3 Headings & Alpha-numeration. The headings and alpha-numeration used in this Agreement are for convenience of reference only and shall not affect or be utilized in the construction or interpretation of this Agreement.

Section 2 Appointment of the Manufacturer

- 2.1 Appointment. Subject to the terms and conditions set forth in this Agreement, Licensor hereby licenses the Intellectual Property Rights to Manufacturer and appoints the same Manufacturer as its non-exclusive Licensed (Limited Scope) Manufacturer as per clause 3.1 below, and Manufacturer hereby accepts such appointment.
- 2.2 Relationship between the Parties. The relationship of the Licensor and the Manufacturer established by this Agreement is of licensor and licensee. Licensor and Manufacturer hereby agree that, in the performance of their respective obligations hereunder, they are and shall remain independent contractors. All obligations entered into by Manufacturer shall be its sole responsibility except to the extent specifically provided otherwise herein.

Section 3 Intellectual Property Rights License

- 3.1 License concession. The Licensor hereby grants a non-exclusive, non transferable and non-sub licensable license to exploit, during the validity of this Agreement, the Intellectual Property Rights for performing Limited Scope Manufacturing activities on the Products.
- 3.2 Intellectual Property Right Innovations. The Licensor shall be entitled in any time to implement Intellectual Property Right Innovations and discontinue manufacturing techniques in use. In such cases, Manufacturer shall be promptly informed and provided with the implemented/modified Intellectual Property Rights including the applicable article numbers during the term of this Agreement.
- 3.3 Data Recording. Throughout the period of validity of this Agreement as per Section 9, Manufacturer is required to record all information on the Products manufactured and sold. The information recorded shall be made available to the Licensor for inspection.
- 3.4 Reporting. Manufacturer shall also provide the Licensor with monthly reports, except otherwise agreed by the Parties, on the Net Sales of Products manufactured, for the purpose of royalty computation, as described below.



- 3.5 Obligations of the Licensor. The Licensor hereby undertakes to provide the Manufacturer with all the necessary and existing information, documentation, training and technical assistance regarding the licensed Intellectual Property Rights, as they may be modified and updated from time to time, required for allowing the latter to become fully operational on the Limited Scope Manufacturing activities. The Licensor shall be available to continuously transfer its know-how and share with Manufacturer its technical competences and capability as may be improved, developed and enhanced from time to time.

Section 4 Limited Scope Manufacturing activities

- 4.1 Limited Scope Manufacturing Activity. For the purpose of this Agreement, Manufacturer shall have the right to perform the entire manufacturing process with reference only to the Products, through the use of the Licensor's Intellectual Property Rights.
- 4.2 Inter-company purchases. Manufacturer shall be free to managing the procurement activities of semi-finished products, components, raw materials directly from local suppliers or, from Licensor or other entities belonging to the Bonfiglioli Group.
- 4.3 Quality of Products and Procedures. Manufacturer ensures that all Limited Scope Manufacturing activities are conducted to a standard consistent with good practice and with all applicable standards, specifications and procedures included in Bonfiglioli Group quality control standards. Manufacturer therefore ensures that quality of the Products shall be, in all material respect, in compliance with all specification supplied by the Licensor and be of a high standard of quality and merchantability.
- 4.4 General Conduct. Manufacturer shall conduct its business in a lawful manner that will reflect favorably on the Licensor and the Products and shall not engage in any deceptive, misleading, illegal or unethical business practice. Manufacturer therefore shall not do, cause or authorize anything which will or may impair, damage or be detrimental to the reputation or goodwill associated with the Licensor.

Section 5 Consideration

- 5.1 Royalty Fee. The Parties hereby agree that the Licensor shall be entitled to receive an arm's lenght royalty fee for the Licensed Intellectual Property Rights.
- 5.2 Royalty Computation. The Parties hereby agree that the royalty fee shall be computed as a percentage of Net Sales made by the Manufacturer. Indeed, the Royalty Fee shall be computed in the measure of 6% of the Manufacturer's yearly Net Sales. The Sales of Products to the Licensor shall be excluded from the Net Sales.
- 5.3 Excess of arm's length: In case the royalty payment made by the Manufacturer would be considered in an excess of arm's length, the Licensor shall repay the Manufacturer the amount paid in excess of arm's length.



Section 6 Payment Terms

- 6.1 Invoicing of Royalty Fees. Based on the Net Sales data received by the Manufacturer, as per clause 3.4 the Licensor shall issue royalty invoices to the Manufacturer semi-annually, except otherwise agreed by the Parties.
- 6.2 Royalty Payments. Manufacturer shall make royalty payments within 90 (ninety) days from receipt of the invoice, except otherwise agreed by the Parties.
- 6.3 Taxes and withholding. The Consideration is net of value added tax or any other applicable sales or indirect tax shall be borne by Manufacturer. In case of withholding tax locally applicable (direct tax), Manufacturer is allowed to withheld it from the invoice payment, provided that the withholding tax percentage has been communicated to Licensor in advance and that Manufacturer is able to give proper and detailed supporting documentation of the amount withheld in English language directly or translated in English language in case the supporting documentation is in local language.

Section 7 Intellectual Property Rights Ownership

- 7.1 Ownership. Manufacturer acknowledges, agrees and confirms that the Intellectual Property Rights belong to and shall remain the property of the Licensor. Neither this Agreement nor the performance of the obligations hereunder constitute or imply transfer or cession of any rights in the Intellectual Property Rights to the Manufacturer.
- 7.2 Territory. Manufacturer shall be free to use the Intellectual Property Rights to manufacture and sell Products in the Territory. Upon the specific consent of the Licensor, Manufacturer shall be free to use the Intellectual Property Rights to manufacture and sell Products to companies belonging to the Bonfiglioli Group that are resident out of the Territory.
- 7.3 Infringements. If any infringement of the Intellectual Property Rights comes to the notice of the Manufacturer, the latter shall promptly inform the Licensor of such infringements and assist the latter to protect said rights in relation thereto.
- 7.4 Technological Improvements discovered by Manufacturer. If Manufacturer, during the continuance of this Agreement makes, discovers or acquires control over any improvement or development of the Intellectual Property Rights (hereinafter, "Improvement"), said Improvement or development shall be deemed as property of Licensor.

Section 8 Confidentiality

- 8.1 Confidentiality protection. The Intellectual Property Rights as well as all technical, financial, commercial or other sensitive information concerning the Parties, their business or this Agreement - whether contained in printed documents, electronic data-base, CD or verbally communicated - duly exchanged between the Parties or disclosed by one Party to the other will be held as strictly confidential by the Parties



which will take all reasonable steps and measures to prevent any disclosure of the same information.

- 8.2 Disclosure of Information. Such confidentiality obligation will not prejudice the right of either Party to disclose, for the purpose of this Agreement, such confidential information to any auditor, lawyer or independent consultant provided however, that such third parties are bound vis-à-vis the disclosing Party by a confidentiality agreement which mirrors the language and content of the present clause.

Section 9 Term and Termination

- 9.1 Initial Term. This Agreement shall take effect on January 1st 2021 and shall remain valid and in force till December, 31st 2021.
- 9.2 Automatic Renewal. Upon expiration of the Initial Term, the Agreement shall be automatically renewed yearly unless terminated by one of the Parties through a written notice to be delivered to the other Party within three months before December 31st of each Fiscal Year.
- 9.3 Automatic Termination. The breach of any contractual obligation contained herein which is not remedied by the breaching Party within a reasonable term after having been invited in writing to do so by the other Party, shall be considered as a justifiable reason for the immediate termination of this Agreement.

Section 10 Product Liability

- 10.1 Product Liability. The Manufacturer acknowledges and accepts that is and shall remain fully and solely liable for the manufacture of the Products.
- 10.2 Indemnification. The Manufacturer shall at all times hold the Licensor harmless and fully indemnified from and against any losses, claims and damages arising out of claims brought by any person on grounds of the alleged liability of the Licensor howsoever connected with the distribution and sale of the Products manufactured by the Manufacturer to the extent the losses, claims and damages are not connected with the any defects or malfunctioning deriving from the Intellectual Property Rights licensed by the Licensor.

Section 11 Force Majeure

- 11.1 Responsibility. Neither of the Parties involved shall be held responsible for any delay in fulfilling obligations or the dereliction of duties contained in the Agreement if they are caused by force majeure, including but not limited to, pandemic, strikes and general lockouts, fire, flooding, government action, war, riot or any other events which are beyond the control of the part experiencing the event in question.

Section 12 Governing Law and Settlement of Disputes

- 12.1 Jurisdiction. The Agreement is governed by, and shall be construed in accordance with, laws of Italy. Any and all claims, disputes, controversies arising between the



Parties out of or in relation to or in connection with this Agreement or the breach hereof shall be subject to the exclusive jurisdiction of the Court of Bologna, Italy.

Section 13 Miscellaneous

- 13.1 Notices. All notices, requests, demands or other communications under this Agreement or in connection therewith shall be given to or made upon the respective Parties as follows at the addresses stated on the first page of this Agreement or such other address that is notified by either party to the other.
- 13.2 Entire Agreement. This Agreement represents the entire agreement between the Parties and shall supersede all the previous agreements, understandings, letters or such other documents between the Parties.
- 13.3 Modifications. Any modification hereof shall be valid and shall have effect, only if such modification is made in writing and duly signed by the Parties.
- 13.4 Waiver. The failure of either Party to enforce the provisions of this Agreement at any time, or the failure to require at any time performance by the other Party of any of the provisions of this Agreement, shall in no way be construed to be a present or future waiver of such provisions, nor in any way affect the validity of either Party to enforce each and every such provision.
- 13.5 Severability. If any provision of this Agreement is or becomes unenforceable or invalid according to Italian legislation, statute, precedent, rule or regulation, the remainder of this Agreement shall be valid and enforceable. Parties shall negotiate in good faith in order to come to a mutual agreement on a substitute, valid and enforceable provision which most nearly effects the Parties' intent in entering into this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement to be effective as of the Effective date.

BONFIGLIOLI TRANSMISSION PVT LTD

Mr. Kennady Kaippally

BONFIGLIOLI S.P.A.

Mr. Fausto Carboni

ANNEX 1

PRODUCTS

Here below the list of Products for which the Intellectual Property Rights is granted where the Products and related components are manufactured by the Manufacturer, independently from the Business Unit Profit & Loss assignment:

1. MWS Series

All the MWS Series, included components and 300S, as per below list, but not limited to:

SIF	BU
501-570	MWS
575+	MWS
600-604	MWS
600F+	MWS
605-607	MWS
606GRADER	MWS
606Y	MWS
609	MWS
610	MWS
700701T/TK	MWS
700705C-805	MWS
700706CK	MWS
702705CT	MWS
702707T/TK	MWS
706707C-806	MWS
707708CK	MWS
709715C-611+	MWS
709715CK	MWS
709T/TK	MWS
710716T	MWS
716718C/CK	MWS
717718T	MWS
720-724C/CK	MWS
720C/CK+	MWS
726-F560C/CK+	MWS
810-812	MWS
BTM	MWS
COMTR	MWS
EWHEEL	MWS
FMH	MWS
IE1-132-200BW	MWS
IE1-27-112BW	MWS
IE2-132-200BW	MWS
IE2-27-112BW	MWS
IE3-132-200BW	MWS
IE3-27-112BW	MWS
MGSD	MWS
MWHEEL	MWS
PTO	MWS
STAT DRIVE	MWS

2. PTS Series

Series and related components listed here below, but not limited to:

Product Hierarchy	SIF
AC .INS	AC
316-321 .INS	316-321
A70-90 .INS	A70-90
HDPHDO100-125.INS	HDPHDO100-125
HDPHDO60-95 .INS	HDPHDO60-95
300-305 .INS	300-305
306-309 .INS	306-309
310-315 .INS	310-315
A50-61 .INS	A50-61
A50-61-SUBOP .INS	A50-61-SUBOP
F50-90 .INS	F50-90
F50-90-SUBOP .INS	F50-90-SUBOP
HOUSING-300 .INS	HOUSING-300
KRR300309 .INS	KRR300309
KRR310315 .INS	KRR310315
TOOTHED-RING .INS	TOOTHED-RING
W63 .INS	W63
W63-SUB .INS	W63-SUB
KUS3 .INS	KUS3
KPAM3 .INS	KPAM3
SUNGEAR .INS	SUNGEAR



