

### Definitions

- Elettronica GmbH, referred to as ELT-M or *Buyer*, appoints the *Supplier* to perform services (the "*Supply*") within the General Project. ELT-M and the Supplier are hereinafter referred to as *Party(ies)*.
- *General Project* means the activities carried out by ELT-M and regulated by the *General Contract* between ELT-M and the *Customer* (any other company and/or the NATO Authority), which the services provided by the Supplier contribute to and are meant for.
- The *Contract* refers to the entirety of the applicable documents defined in the Purchase Order (P.O.), this document is attached to, and includes these terms and conditions as well. The *Project* refers to the activities carried out by the Supplier for the execution of the Contract.
- *Background Information* means the intellectual property used by the Supplier in the performance of the Contract, which pre-exists the Project, while *Foreground Information* means intellectual property arising out of the performance of the Contract.
- *Standard Software* is the software provided by its rights owner based on licenses for use with numerous customers. *Individual Software* is the software created/developed individually within the context of the Contract according to the requirements of the Buyer. Exceptions from this are the adaptation or developments on/for Standard Software, which refers to as *customization*.
- A *serious defect or class A defect* is any failure, omission or malfunctioning of the Supply, including technical, operational and legal properties, that makes the purposeful/economically meaningful use of the service object not possible, so that the continuation of the Project or acceptance of the service object for use within the General Project is not guaranteed at all or not properly. A *moderately serious defect or class B defect* is any failure, omission or malfunctioning of the Supply, including technical, operational and legal properties, that makes the purposeful/economically meaningful use of the service object limited/impaired; however, the Supply is not affected in a way such that the continuation of the Project or the acceptance of the service for use within the General Project is not guaranteed, or the test procedure cannot be continued. A *minor defect or class C defect* is any failure, omission or malfunctioning of the Supply, including technical, operational and legal properties, that makes the purposeful/economically meaningful use of the service object only insignificantly limited.
- *Supplementary Performance Measure* is an additional service to be provided by the Supplier in case of defect or failure of one or more items of the delivered Supply. This service could consist of the replacement of the defected service, its repair, or any other action that is deemed by the Supplier as necessary to rectify the problem accordingly to the warranty conditions defined in the Contract.

### General Provisions

1. These Terms & Conditions (T&C) regulate the procurement of services by ELT-M from the Supplier under the Contract. Unless otherwise agreed in writing, these T&C of Purchase shall also apply if the Buyer is aware of terms and conditions that oppose or deviate from his own terms and if he accepts delivery without making reservations in this respect. In the case of a conflict between the conditions which are established in the present document and the conditions stated in the P.O., the latter prevail.

2. These T&C and the P.O. to which they are attached, including all documents therein referenced as applicable, constitute the entire agreement between the Buyer and Supplier as to the subject thereof, and cannot be changed except in writing, duly signed by authorized representatives of Buyer and Supplier. The provision of the Contract supersedes all prior representation or agreements whether oral or written between the Parties relating to the subject matter thereof.

### Confidentiality

3. During the term and pursuant to the provisions of the Contract, the Parties hereto exchange information, data and other communications of whatsoever kind with the other, which contain trade secrets of financial, commercial, scientific or technical or any information (hereinafter referred to as "*Confidential Information*") which the Parties consider proprietary or confidential.
4. The receiving Party agrees that it will keep in confidence and not disclose to any third parties such Confidential Information except its own employees on need to know basis. Furthermore, the receiving Party shall at all times take all measures reasonably necessary for the adequate protection of the Confidential Information and any part of it from espionage, sabotage, theft, appropriation or destruction. Exchanged Information shall be declared and labelled as *Confidential* within fifteen (15) days after its transfer. The obligation of the Parties in respect of any Confidential Information shall continue for a period of 5 (five) years or for the period stated by the applicable laws, from the date of receipt of such Confidential Information by the receiving Party and shall not cease at the expiry or earlier termination of the Contract. It shall cease to apply if and to the extent that the knowledge contained in the disclosed documents has become generally known. On expiry or earlier termination of the Contract, all the Confidential Information will be promptly returned to the disclosing Party.
5. The provisions on Confidential Information will be flown down to all the subcontractors, to whom Confidential Information shall be disclosed with the prior written consent of the Buyer.
6. Any public release or publicity relating to the Contract, and/or Equipment made by the Supplier is subject to prior written authorization by the Buyer.
7. All meetings and arrangements with the Customer for the Contract, regardless of which type, shall exclusively be conducted through ELT-M. The Supplier shall be informed in advance by ELT-M with a fifteen (15) day advance notice about upcoming meeting appointments and therein planned topics, insofar as they relate to the Supplier and his services. Participation by the Supplier in discussions with the Customer shall be agreed in advance with ELT-M project manager and requires his consent. The Supplier is obligated to release to the Customer at any time any documentation necessary to demonstrate the Buyer's compliance with the provisions of the General Contract.
8. The regulations regarding classification and exchange of documents in accordance with the CLASSIFICATION LIST attached to the P.O., if any, apply. The list is not exhaustive and it is the Supplier's responsibility to ensure compliance with all applicable NATO security policies and directives to be operated and supported in the environments specified in the Contract.

Sensitive documents shall be labelled in accordance to their classification by the responsible person of the Parties. If handling of classified information is required by the Contract, the Supplier shall adhere to the national rules for handling classified information and to the German rules issued by the German Ministry of Defence for handling classified information, which are reported in the VS-NfD MERKBLATT and GEHEIMHALTUNGS-VERPFLICHTUNG (GHB Anlage 4b). In case of NATO, the complete list of NATO security documents is found in the "Roadmap to NATO Security Policy, Supporting, Directives, Supporting Documents and Guidance Documents" which are periodically updated to include the latest revisions of the NATO security documents.

9. Insofar as this required for military/intelligence security or required by the Customer, both ELT-M and, this by way of a real contract in favor of third parties, the Customer can demand from the Supplier that the Supplier does not entrust specific persons with the performance of the work within the context of the Contract.
10. The Buyer will treat the personal data of the Supplier in accordance with the Data Protection Act.
11. If applicable, this conditions or parts of this condition are superseded by the mutual Non-Disclosure Agreement (NDA) signed by the Parties.

#### **Code of Conduct**

12. The Supplier shall not unlawfully discriminate either directly or indirectly on the grounds of age, disability, gender (including re-assignment), sex or sexual orientation, marital status (including civil partnerships), pregnancy and maternity, race, or religion or belief.
13. Without prejudice to the generality of the obligation in clause 12, the Supplier shall not unlawfully discriminate within the meaning and scope of the Equality Act 2010 or other relevant or equivalent legislation in the country where the Contract is being performed.
14. The Contractor agrees to take reasonable efforts to secure the observance of the provision of this Code of Conduct by any of its employees, agents, or other persons acting under its direction or Control who are engaged in the performance of the Contract.
15. The Supplier agrees to take reasonable efforts to reflect this Code of Conduct in any subcontract that it enters into to satisfy the requirements of the Contract and to require its subcontractors to reflect this Code of Conduct in their subcontracts that they enter into to satisfy the requirements of the Contract.
16. In performing the Contract, the Supplier shall comply in all material respects with Child Labor Legislation and applicable employment legislation of those jurisdiction(s) in which it performs the Contract.
17. All Timber and Wood-Derived Products supplied by the Supplier shall comply with the Contract Specification and must originate either from a Legal and Sustainable source or from a FLEGT-licensed or equivalent source. If requested by the Customer, the Supplier shall provide to the Authority Evidence that the Timber and Wood-Derived Products supplied to the Authority under the Contract complies with the requirements of this Clause. In addition, the Customer reserves the right at any time during the

execution of the Contract and for a period of five (5) years from final Delivery under the Contract to require the Supplier to produce the Evidence required for the Authority's inspection within fourteen (14) days of the Authority's request.

18. The Supplier or his representative is not allowed not offer, promise or grant benefits as defined in §331 of the German Criminal Code, directly or indirectly, to persons entrusted with research, development or acquisition tasks at the procurement office of the Customer for the discharge of an official duty. This obligation shall apply to the Contract and to future business relations with the Customer.

#### **Specification of the Supply**

19. The Supplier hereby confirms that the Supplier has obtained at the time of acceptance of this P.O. all the necessary information regarding the purposes of this P.O. and the General Project itself, which are necessary in his opinion for the completion of the services agreed under the Contract.
20. The Supplier undertakes towards ELT-M to notify ELT-M in writing about all errors, inconsistencies or defects of deliveries, services or processes that are specified or provided by ELT-M or the Customer for the realization of the General Project, insofar they are in connection with the Services provided by the Supplier, as soon as and insofar as the Supplier becomes, or could have become, aware of this.
21. The Supplier may not claim the absence of documents and/or materials ELT-M must provide, unless the Supplier has given a written reminder to provide documents and/or materials, and have not received them within a reasonable period.

#### **Change Process**

22. ELT-M is authorized, by written Notice, to request a change of the Supplier's services specified in the P.O. and its annexes, as well as their technical implementation, in consultation with the Supplier. The Supplier is authorized to propose changes to the Supplier's services, as well as their technical implementation. He is obligated to do so, provided that and as soon as he recognizes that the use of his Supply into the General Project or the realization of the Project as such is at risk without such changes, particularly if a delay appears possible.
23. In cases of changes to the specification of the Supply, the Supplier will issue within fifteen (15) days of receipt of the Notice a written change request (using the form attached) to ELT-M regarding the proposed change in order to receive approval of the change. If the changes have consequences for the performance of the Supplier's services, the price, the reaching of milestones in accordance with the project plan, the documentation, the performance of *Supplementary Performance Measures*, the availability of repair or re-placement services, the realization of the Supplier's share of the General Project as such, this shall be specified in the change application. Furthermore, the time shall be specified in the change application by when ELT-M must declare the approval of the change at the latest, so that the deadlines defined for the milestones can also be met with the implementation of the changes. Insofar as the Supplier has not received a written approval of the changes from ELT-M, the Contract shall be implemented as though it had existed without the changes. The Supplier shall implement all changes that are

necessary for realization of the Project and approved in writing by ELT-M with immediate effect. The Buyer may, by Notice, alter the Specification as from a date agreed by both Parties and to the extent specified by the Buyer provided that any such variations do not alter significantly the nature of the Supply.

24. Where any such variation causes a change in the cost, or in the period required for the production or completion of the Supply or any other part of the work under the Contract which is affected by the variation, then such revision to the Contract Price, and / or the time for Delivery shall be the subject of a formal amendment to the Contract.

### **Terms of Delivery**

25. Unless it is explicitly regulated otherwise in the P.O. and its annexes, the place for performance of the services to be provided by the Supplier under this P.O are the supplier's premises.
26. The agreed delivery dates are binding, particularly regarding the milestones and deadlines that are defined between ELT-M and the Customer in the General Project plan - insofar as they relate to the Supplier and his services. Compliance with the delivery date is determined by the date on which the goods are received at the place of receipt or use, which is stipulated among the parties, or on which acceptance procedures have been successfully completed, whichever comes later.
27. If the Supplier notices that an agreed deadline cannot be met for whatever reason, the Supplier must notify ELT-M without delay, stating the reasons and the likely duration of delay.
28. The Supplier shall issue to ELT-M a notice for any service ready to be shipped, and then ship the Supply to the agreed site after obtaining prior consent from ELT-M. Advice note of item readiness for dispatch, consignment notes, invoices and all correspondence must specify the number of the P.O. of the Buyer, the name and address of the Supplier, the part number or serial number, the description and quantity of each item delivered, number of the certificate of conformity, the Export permit number, the name of the forwarding agent and date of dispatch, the AirWayBill number and/or bill of landing (as applicable).
29. If changes to the General Project plan lead to changes of the milestones and deadlines of the services provided by the Supplier under the P.O., the latter shall be subject to an agreement between ELT-M and the Supplier, whereas the Parties agree to use best efforts to avoid milestones and deadlines arranged with the Customer being missed. If changes to the project plan should lead to additional costs, the Supplier shall notify ELT-M about this in writing prior to arranging new deadlines and milestones in the project plan. This also applies in cases of any changes to the project plan by ELT-M during the course of realization of the Project, to which ELT-M is hereby authorized.

30. The presence of a Buyer's representatives or Customer's representatives during an Acceptance Test at Supplier's premises will not imply the acceptance by the Buyer of the Item in question nor will relieve the Supplier of any of its responsibilities in relation with the status of the Item concerned.
31. The Supplier shall not deliver any Item not compliant with the specifications and all other applicable documents, without the Buyer's approval. In case of non-compliance the Supplier shall

issue and sign a request for waiver. The Buyer is entitled to accept or reject this request.

32. In the event that the Buyer is entitled to reject a non-conforming delivery, but elects in Buyer sole discretion, to accept such non-conforming item subject to such deviation, then the Buyer shall be entitled to an appropriate price reduction for such non-conforming delivery, which deduction shall be in an amount to be agreed between the Parties and shall be in an amount that is fully representative of the deficiency waived for such delivery.
33. The delivery shall not constitute acceptance of the Supply Items. Their title shall pass and the items shall be deemed accepted upon the issuing of the Certificate of Completion (form attached) duly signed by the Buyer for successful completion of the site acceptance after delivery to the Buyer.

### **Prices**

34. The prices agreed are fixed prices in EURO, unless otherwise stated in the P.O., subject to valued added tax at the statutory rate, to the exclusion of any subsequent demand for payment. Unless otherwise agreed, these prices include all costs for design, manufacturing, management, inspection, quality and acceptance tests to be carried out by the Supplier, storage, packing and crating, in accordance with the agreed delivery obligations, as well as customs clearance costs and customs duty, excises or fees imposed by Supplier's Government.
35. The prices are stated as DDP (INCOTERMS 2010) delivered ELT-M registered office. Goods are delivered at own risk of the Supplier. The risk of accidental deterioration, including accidental loss, is therefore borne by the Supplier until delivery to the dispatch address or place of use that was stipulated between the Parties. Insurance for transportation of Supply from Supplier's Facility to agreed location shall be arranged by the Supplier according to the agreed INCOTERMS.
36. Only the requested volumes or quantities of items of the Supply shall be accepted. Excess or short deliveries are not permitted unless prior arrangements in writing among the Parties.
37. The Buyer reserves the right within the Contract to order individually or none of the items defined as options, if any, or in the spare part list, if any, at unit prices defined in P.O. or its annexes. The Buyer reserves the right to procure additional items of the Supply at unit prices defined in P.O. or its annexes, for purchase orders placed within one (1) year from the date of delivery of the present Contract. After this date the unit price may be subject to an annual increase, according to an escalation formula based on national statistical indexes. This formula shall be agreed among the Parties and shall have a cap of four (4) % of the unit price per year. This price agreement shall be guaranteed by the Supplier for a period of eight (8) years unless some obsolescence occurs for the items to be delivered.

### **Invoicing, Shipment & Packaging**

38. For each delivery the Contractor must also deliver the following documents: (i) dispatch documents (Packing list, invoice), (ii) Certificate of Conformity (COC), and (iii) Test report. The COC shall certify that the delivered Supply corresponds to the requirements of the present order.

39. Together with the certificate of conformity the Supplier shall either send the respective certificates of conformity of the producers of the delivered materials or, if they are not available, shall supply evidence about his verification testing activities in order to ensure that the bought products correspond to the purchase conditions.
40. The Supplier is authorized to invoice the price for the respective milestone in accordance with the payment plan defined in the P.O., provided that the achievement of the respective milestone has been acknowledged in writing by ELT-M (form *Certificate of Acceptance* or *Certificate of Completion* attached).
41. Invoices must be submitted to the Buyer separately after delivery or completion of the service, along with the *Certificate of Acceptance* or *Certificate of Completion* duly signed by both Parties, associated certificates, inspection data, and in the proper form. Supplier's invoices must contain the number of the P.O. and its date, the name and address of the Supplier, the part number and serial number, the description and quantity of each item delivered and the number of the certificate of conformity. Any invoice that is not properly submitted shall not be deemed as received until the relevant corrections have been made.
42. ELT-M shall make payments on the basis of a received invoice after the delivered goods or services have been accepted by ELT-M and after 30 calendar days, measured the goods incoming / performance and receipt of invoice, unless otherwise stated in the P.O.. Earlier execution of milestones and associated payment is allowed, subject to the Buyer's written approval.
43. In the event of incorrect deliveries, ELT-M has the right to withhold a proportionate amount of payment until delivery is fulfilled.
44. If an advance payment is agreed, the Supplier must provide reasonable securities to ELT-M as specified in the P.O..
45. The Supplier shall be responsible for and/or pay all taxes, duties, excises, customs clearance service, fees, etc. imposed by his Government, as a result of or in connection with the manufacturing, sale, preservation, protection, delivery, storage or transfer of any part of the supplies and services included in the Contract.
46. The Supplier has to pack the products at his own cost and according to the best uses in the transport business and to protect them well against moisture, rain, theft, corrosion, and electrostatic discharge. The Supplier is responsible for possible damages/losses which can arise from an error of packaging.
47. The Supplier shall obtain any wood used in Packaging from companies that have a full registered status under the Forestry Commission and Timber Packaging and Pallet Confederation's UK Wood Packaging Material Marking Program. All such wood shall be treated for the elimination of raw wood pests and marked in accordance with that Program.
48. The Supplier shall use employees for the Project, who are qualified and possess the needed technical expertise, and will continuously monitor them during the performance of the Contract.
49. **Anti-Counterfeit**  
The Supplier guarantees that (i) the items are new, unused and produced by the declared manufacturer; (ii) all the codes and marks impressed on each item correspond to the relevant one; (iii) all the packing codes and marks match with the relevant package content and that such Goods contain no Counterfeit Parts. The Supplier also guarantees the implementation of a suitable policy to monitor the Supply Chain and prevent any conflict with it. This procedure has to be put at ELT-M disposal on request. Supplier shall be liable for cost of Counterfeit Parts and Suspect Counterfeit Parts and the cost of rework or corrective action that may be required by Buyer to remedy the use or inclusion of such Parts.
50. Unless specific Quality standards are specified in writing in the P.O. or in its annexes, it is agreed that the services to be provided by the Supplier shall be of good quality according to commercial standards recognized in the Federal Republic of Germany for reliability, safety, suitability for use, and production/development, and shall comply with the recognized rules for engineering.
51. The Supplier shall maintain a Quality Management System (QMS) ISO 9001 or AS/EN/JISQ 9100 and perform the task required by the Contract in compliance with the QMS. In addition the supplier shall apply the rules of the NATO AQAP2110 "Quality Requirements for Development, Construction and Manufacturing" and NATO AQAP2130 "Quality Assurance Requirements for Inspection and Test" standards.
52. The task required by the Contract shall be executed by the Supplier in compliance with the Quality Assurance Plan agreed with the Buyer. The Supplier commits to submit a quality assurance plan to ELT-M within fifteen (15) days after and must be approved by the Buyer before the start of the Contract execution.
53. The fulfilment and compliance by the Supplier with the agreed quality assurance obligations and the quality assurance plan are subject to examination by ELT-M or by the Customer, at the discretion of ELT-M. The Supplier agrees that such an examination can also be performed by a third party appointed by ELT-M or the Customer (hereinafter referred to as "Quality Tester"). The Supplier shall provide ELT-M/the Customer or the Quality Tester with all information that is regarded as purposeful to them and grant access to the Supplier's facilities that are affected by the test. The Supplier commits to ELT-M, to ensure and arrange that within ten (10) days after the Supplier has been informed by the Customer or the Quality Tester that the Supplier's quality assurance does not (any more) comply with the quality obligations or the quality assurance plan, to take all measures to rectify breaches of the quality assurance obligations and/or deviations from the quality assurance plan.
54. The services to be performed by the Supplier shall undergo the review and acceptance tests specified in the P.O. and its annexes. These might include, e.g. Requirement Review (RR), Manufacturing Data Package Review, Preliminary Design Review (PDR), Critical Design Review (CDR), Production Readiness Review (PRR), Test Readiness Review (TRR), Internal Factory Acceptance test (iFAT), Incoming Goods Inspection, Factory Acceptance Test (FAT), Site Acceptance Test (SAT), Harbor Acceptance Test (HAT), Sea Acceptance Test (SAT), Flight Acceptance Test. The agenda of each review will be proposed by the Supplier and agreed with the

#### **Quality & Acceptance**

48. The Supplier shall use employees for the Project, who are qualified and possess the needed technical expertise, and will continuously monitor them during the performance of the Contract.

- Buyer ten (10) days in advance. The outcome of the meetings shall be recorded in the minutes, and these arrangements are binding for the Parties.
55. Each design review and acceptance review shall be formally accepted by ELT-M by signing the Certificate of Acceptance (form attached). The approval/agreement of ELT-M and/or the Customer for drawings, specifications, diagrams, plans or other information provided by the Supplier shall leave the Supplier's responsibility unaffected regarding the fulfilment of his obligations under the Contract, particularly regarding the agreed quality.
56. If applicable, and if it is determined during the PDR or the CDR – or latest twenty-one (21) days after each review, that the design of any of the services to be performed by the Supplier is not compliant with the specification, or not enough evidence (simulation results, modelling results, calculation results, pre-development tests, material prototyping and test, stress tests, Commerce-Off-The-Shelf (COTS) hardware check, Software (SW) dimensioning, interface check) in the opinion of ELT-M, is provided by the Supplier in order to demonstrate the compliance with the specification referenced in the P.O., or any of the services provided by the Supplier displays defects or failure or not conformity, the review and/or the acceptance has failed. In case of minor defects, the review shall be repeated only for the defected service; otherwise, the review shall be repeated fully after each attempt by the Supplier to rectify the design, the evidence or the service. The Supplier is entitled to 2 (two) attempts for each review. In case of failure of a review or an acceptance test, the Supplier shall propose a new delivery plan of the Supply, which includes the recovery of the failure. This plan is subject to acceptance by the Buyer. After failure of the second attempt due to serious defects ELT-M shall be entitled to terminate the Contract.
57. If applicable, the internal Factory Acceptance Test (i-FAT) will be carried out by the Supplier at his own premises, while the FAT will be carried out by the Buyer at Buyer's premises. If agreed by the Parties i-FAT and FAT can be carried out jointly at Supplier's premises in presence of the Customer. The factory acceptance test plan and procedures shall be proposed by the Supplier at least thirty (30) days in advance, and shall be officially accepted by ELT-M. The i-FAT/FAT procedures shall be in accordance with the technical specification and standards agreed as applicable for the Supply. The verification of quality and functionality must emerge from the relevant test documentation proposed by the Supplier. ELT-M reserves the right for modifying the proposed tests or proposing new tests, if the proposed plan is deemed not sufficient for verifying the Supply. No official test will start prior to the acknowledgement of the test specification and test instructions from the Buyer or Customer. The Supplier shall then provide the resulting acceptance test reports to the Buyer and to the Customer.
58. If the test results that are to be disclosed to ELT-M during the i-FAT and/or FAT, pre-exist before the start of the Project (Background Information) and are protected by Patents or Intellectual Property Rights, and/or classified, the Supplier shall inform ELT-M at the Critical Design Review or at the latest forty-five (45) days before the acceptance test, and the Parties shall agree in writing on the disclosure and use of this Information. If not differently agreed, the Supplier shall disclose to ELT-M and the Customer all the necessary test evidence in support to the acceptance tests, including test reports on pre-existing building blocks, materials, simulation models and design checks.
59. All tests carried out at Supplier's premises (i-FAT and/or FAT) shall be the responsibility of the Supplier, who provides the test personnel, delivers the documentation, provides the equipment and facilities, in order to fully perform all tests, as well as receiving the records of all of the tests.
60. The on-site acceptance tests (including FAT, if not carried out together with the iFAT at supplier premises, HAT, SAT and flight) will be carried out, if applicable, by ELT-M in presence of the Customer. The Software and Hardware tools required for performing these acceptance tests, if not part of the Supply defined in the P.O., shall be responsibility of ELT-M. In case of unavailability of these tools by ELT-M due to technical, costs and/or time constraints, the Supplier commits to ELT-M to support the acceptance tests with his own tools for the entire duration of the preparation and execution of the planned tests. The costs borne by the Supplier for this service, if not considered in the P.O., shall be agreed by the Parties at the Critical Design Review or at the latest forty-five (45) days before the acceptance tests, and reimbursed by the Buyer.
61. ELT-M and the Customer reserve the right to perform inspections and/or quality audits at Supplier's premises and to receive evidence about the implementation of the Contract as well as to have access to testing and production records. ELT-M will inform the Supplier about an inspection fifteen (15) days in advance.
62. ELT-M and the Customer reserve the right to witness, directly or through ELT-M's or Customer's representative, the testing activities of all items in the Supply. For this purpose the Supplier shall advise ELT-M at least fifteen (15) days before the start of each i-FAT Acceptance Tests.
63. If the Supplier's services are complained about by ELT-M or the Customer before or during the final acceptance test (FAT/SAT/HAT), the Supplier undertakes to issue a written report to ELT-M within five (5) days after the notification, in which the complaint, the reason for the complaint, the purposeful and necessary measures for rectification of the complaint and the duration for rectification of the complaint are described and explained. All costs incurred as a consequence of complaints - or non-complained failure detected by the Supplier – and their rectification shall be borne by the Supplier. In case of written request by the Supplier or lack of any action by the Supplier after 15 (fifteen) days after the notification of defect, ELT-M will return the shipped Supply to the Supplier at the Supplier's expenses, specifying in writing the grounds for its rejection. The Items so returned shall be repaired/replaced and submitted to further acceptance test procedures.
64. If ELT-M, or the Customer, decides to have the Supply or of any of its part, after integration of the Supply into the General Supply, certified by any authority or certification body, the Supplier commits to ELT-M, and to the Customer, to provide the necessary technical support and evidence (technical documentation, test reports and test data, construction diagrams and data, material samples), in addition to the deliverables already agreed within the Contract, in order to carry out the certification in the frame of the use of the Supply defined within the Contract. The associated costs borne by the Supplier, shall be agreed with the Buyer, and subject to amendment in writing to the Contract.

### Property Rights

65. The proprietary rights to inventions, patentable or not patentable, patents and designs belonging to which party before the Contract starts and/or developed independently from the Contract are clearly defined to be sole property of such Party (*Background Information*).
66. The Supplier shall fully transfer to the Buyer the Rights of the Individual Software and Foreground Information generated within the services provided by the Supplier under the provisions of the Contract.
67. For the Individual Software provided by the Supplier under the provisions of the Contract, the Buyer shall receive the source code, the compiled/executable code, the test code, any library, DLL or open source code used by the application, the necessary SW documentation (versioning reports, data model, user guide), the development and installation environment, or a detailed description of it in order to reproduce it on the target machine, and any support for test and installation of the Software.
68. For third-party Standard Software supplied by the Supplier, the licensing conditions of the rights owner shall apply, and the Supplier shall transfer all property and utilization rights to the Buyer in the way that these property rights and utilization rights were also transferred to him through respective licensing conditions of the rights owner of the Standard Software. For Standard Software of the Supplier, the Supplier shall grant the Buyer and/or its partners the right to use the license into its products and/or services, including the installation and/or the integration of the license with the software or hardware products belonging to the Buyer.
69. The Supplier shall grant the Buyer the possibility to sign the license agreement for and on behalf of his Customer in case the signature should be required on the license agreement.
70. The Supplier guarantees to the Buyer and, this by way of a real contract in favor of third parties, the Customer, each a non-exclusive, transferable, irrevocable, unlimited license in terms of time and location, which is free of charge, for use of Supplier's Standard Software subject of the Contract. If the licensing conditions deviate from the above, the Supplier undertakes to inform the Buyer in writing about these deviations before Contract's signature.
71. ELT-M and the Customer, this by way of a real contract in favor of third parties, are hereby authorized by the Supplier to transfer the rights fully or partially to third parties, if and insofar as this is purposeful, so that the purposes and the rights of the Customer under the General Contract can be exhaustively exercised. The rights of use in accordance with the aforementioned provisions are not bound to specific devices or specific operational sites.
72. The Supplier shall state by each design review and at the completion of the work which items of the Supply are Individual Software and which are Standard Software, and confirm the corresponding licensing conditions accordingly to the Contract.
73. ELT-M retains ownership of all parts and components provided to the Supplier in the frame of the Contract. They are solely for processing and fulfilling this Order. In particular, any resale by the Supplier is expressly prohibited. ELT-M retains also ownership of the parts and components provided, after they have been processed and assembled by the Supplier. The parts and components provided have to be clearly marked as ELT-M property and a sufficient insurance coverage against theft, loss and damage must be ensured.
74. The Supplier guarantees to ELT-M that the services to be performed by the Supplier under the provisions of the Contract are free from any limitations from third-party rights or in relation to know-how, patents, copyrights, trade-mark rights, industrial designs or other property rights and obligations to make payments, also if and insofar as the Supplier's services are combined with or jointly used with the services of other persons or companies, unless ELT-M has explicitly consented to such a limitation in writing. The Supplier commits to ELT-M and the Customer, to release and exempt ELT-M and the Customer from any claims, by way of a real contract in favor of third parties, which are asserted by third parties against ELT-M and/or the Customer from the breach of property rights or due to a competition or cartel violation by the Supplier in relation to the property rights.
75. The Supplier shall indemnify the Buyer from and against, and hold each of them harmless from any and all direct and actual damages, losses, royalties, costs and expenses arising from the infringement of patent rights and other intellectual property rights of third parties with respect to the use of Supply. Such liabilities, damages, losses, royalties, costs and reasonable expenses include, among other, reasonable counsel fees and costs of replacing any infringing Equipment and/or other parts of Supply, with a suitable non infringing substitute or of otherwise curing any infringement, but without prejudice of the Buyer's rights herein.
76. This indemnity shall not apply to any infringement which is not due to Supplier's default.
77. With respect to any such actual or alleged third party patent, trademark or copyright infringement:
- The Buyer shall immediately notify the Supplier of any written claim received concerning the Contract and the Supplier shall take all necessary steps within its competence to prevent or end a dispute and shall assist the Buyer to defend against, or make settlement in respect of, any claim or notice of infringement or suit of infringement. The Supplier shall, to all extent possible, be allowed by the Buyer the opportunity to conduct and defend any such claim at the Supplier's cost.
  - The Supplier shall immediately notify the Buyer of any written claim received concerning the Contract and the Buyer shall take all necessary steps within its competence to prevent or end a dispute and shall assist the Supplier to defend against, or make settlement in respect of, any claim or notice of infringement or suit of infringement. The Buyer shall, to all extent possible, be allowed by the Supplier the opportunity to conduct and defend any such claim at the Buyer's cost.
78. The release and exemption claims shall expire, if and insofar as the respective owner of the release/exemption claim issues declarations, promises, acknowledgements or commitments without the consent of the respective party obligated to release/exempt, regardless of which form, to the claiming third party or concluded an agreement with the claiming third party regarding the claims asserted by the third party. Exceptions from

this are declarations that are issued as a witness in legal proceedings.

79. With the handover of the documentation under the aforementioned provisions, the Supplier hereby guarantees to both, the Buyer and Customer, by way of a real contract in favor of third parties, right of use to the documentation for training, operation, maintenance, repair, and modification purposes, as well as other purposes, which is free from third-party rights, non-exclusive, transferable, unlimited and free of charge. Furthermore, the right shall be granted free of charge to prepare or arrange for the preparation of duplications of the documentation that is handed over, by way of a real contract in favor of third parties.

### Safety

80. The Supplier bears liability for the environmental compatibility of the products and packaging materials that he delivers, and for all consequential damage arising from any breaches of statutory obligations in respect of waste disposal.
81. The Supplier commits to comply with the relevant guidelines, laws and ordinances for Product Safety and Health Protection, including but not only the Restriction of Hazardous Substances Directive 2002/95/EC, (RoHS).
82. For deliveries of substances, preparations/compounds or articles which are defined in article 3 of the CE decree law number 1907/2006 of the European Parliament and the Council of 18th December 2006 with regard to the evaluation, authorization and limitation of chemical substances (REACH), the Contractor has to add the material safety data sheets – MSDS according to the above regulations and their updates for each of the delivered substances, being it pure or as a compound or within a product (where product has to be understood as any component which is part of the Supply).
83. The Supplier guarantees that the Supply delivered under the Contract will be conform to Regulation (EC) No 1272/2008 of the European Parliament and of the Council of 16 December 2008 on classification, labelling and packaging of substances and mixtures (CLP Regulation).
84. The substances and processes required for the product must be selected so that the utmost protection is guaranteed for users and the environment. The use of hazardous substances shall be avoided or kept to a minimum, especially if they can be released during use, repair and/or disposal of the Supply; in particular:
- highly toxic, toxic, carcinogenic, mutagenic or reproduction-toxic (teratogenic or fertility-toxic), Beryllium-copper and other beryllium compounds, Polychlorinated biphenyl (PCB), Cadmium, Radioactive substances, Formaldehyde;
  - not halogen-free electric cables, and substances that promote fires, generate smoke or generate toxic gases when they are exposed to fire or are hazardous to health during installation, servicing or operation.

They are only permitted if no alternatives exist. A check for a replacement substance shall be performed and documented by the Supplier. Limit values are not permitted to be exceeded. Exceptions from this regulation require the Buyer's – and the Customer's - prior approval. The Contractor shall prepare a hazardous substances list and present it to the Buyer prior to using the hazardous substance. The Buyer shall discuss the list

with the Customer and inform in writing the Supplier on the approval.

85. The Supplier is obliged to provide the safety data sheets and/or instructions of the delivered products, when applicable, with each delivery, and holds ELT-M free from all third-party claims in the event that the Supplier fails to provide ELT-M with the safety data sheets and/or instructions, or provide them late or with errors. The same shall apply for all subsequent modifications. The lack of the mentioned safety instructions will be considered a serious non-fulfilment of the Contract and constitutes a sufficient condition to reject the defective material.
86. Provided that every Safety Law issued before the signature of the present Contract has to be incorporated without additional charges, if, before the delivery of the Supply, Buyer shall notify the Supplier that certain modifications/alterations are needed by new laws for safety purposes of Supplies, the Supplier is obliged to incorporate said modifications/alterations in the Supplies supplied under the Contract, with prior written notification to the Buyer, provided that Buyer shall pay Supplier the extra costs accorded to Buyer in respect of such modifications to be mutually agreed upon in good faith by both Parties.

### Warranty

87. The Supplier guarantees that all deliveries/services are conform to the current state of technological development, the relevant legal provisions and to the regulations and directives of authorities, employers' liability insurance organizations and trade associations. The Supplier also guarantees that all goods and services are supplied free of defects and comply with the specifications in the P.O. and its annexes, unless he has received a written consent from the Buyer. The liability for defects is not restricted by such consent.
88. The Supplier commits to ELT-M to rectify all defects free of charge or to replace the defective service free of charge with new, non-defective services (hereinafter referred to as "*Supplementary Performance Measures*") for a period of twenty-four (24) months, unless otherwise stated in the P.O. or its annexes, after the last service-related acceptance test by the Customer. Modification resulting by obsolescence shall be guaranteed free of charge within the warranty expiry date of the Supply.
89. If two or more of the Supplier's services display the same defect (hereinafter referred to as "*Defect-Infected Services*"), the Supplier commits to ELT-M to also perform the Supplementary Performance Measures regarding all of his additional services, which are identical to or comparable with the Defect-Infected Services. This shall not apply if the Supplier proves, to the satisfaction of ELT-M, upon request by ELT-M, (also) to the satisfaction of the Customer, that the defect only occurred/will occur in an identifiable number of services; in this case, the Supplementary Performance Measures will only need to be performed with the identified services that the Supplier performs in respect of the Defect-Infected Services.
90. ELT-M shall not be entitled to any claims for defect against the Supplier if the Supplier proves that the respective defect is due to wear and tear, late or improper performance of the maintenance measures described in the technical operating instructions or due to improper or inappropriate use by the Customer.

91. This warranty shall also apply to any defect arising as a result of incorrect procedures or information laid down in the documentation provided by the Supplier. Acceptance of the documentation delivered under the Contract does not constitute a waiver to this Clause.
92. Buyer will notify the Supplier about claims for defects within ten (10) days after Buyer becomes aware of the discovery of the respective defect. However, the aforementioned time limit shall not start to run as long as ELT-M has not received a relevant defect notification by the Customer. Buyer will provide all available information to the Supplier so that he determines the proper course of action. The Supplier shall, after agreement with Buyer, either carry out the repair/adjustment/replacement at Buyer's facility or at Supplier's facility. In the latter case the Supplier will issue an RMA (Return Merchandise Authorization) number for Buyer authorization to ship. All costs related to such repair / adjustment / replacement including transportation and shipment will be borne by the Supplier.
93. The Supplier will bear all cost of shipment and insurance for any Supply(s) or part(s) considered defective and covered under the warranty. In the event the returned Supply(s) or part(s) Supply is found to have no trouble or defect, Buyer shall bear all transportation costs to and from Supplier for such return.
94. The Supplier shall provide the Buyer with a list of Supplementary Performance Measures to be carried out for the rectification of potential defects or failures, and the expected time of performance for each of them. The Supplier guarantees an average time for Supplementary Performance Measures of fourteen (14) days – to be calculated after receipt of a notification. Exceptions are to be documented in the list to be provided to the Buyer, who has to accept them by written notice.
95. In the case of defects of Class A, the Buyer and the Customer are entitled at attempting to fix the defect by using the available repair kit and spare parts, if any. During the attempt the Supplier shall provide phone support free of charge. If the defect persists, the Supplier commits to perform the selected Supplementary Performance Measure within the previously agreed time window. If the Supplier has not started with the necessary Supplementary Performance Measures within the agreed time limit or despite the performed Supplementary Performance Measures the serious defect persists, ELT-M shall set in writing a grace period of five (5) days. If the conditions persist after the deadline, ELT-M or, upon specification by ELT-M, the Customer shall be entitled to perform the Supplementary Performance Measures himself at the Supplier's expense or have them performed by a third party (substitute performance) and demand an advance payment for the necessary costs from the Supplier.
96. In the case of defects of class B and C, the same conditions apply with the exception that the Supplier is entitled to 2 (two) attempts at Supplementary Performance Measures. ELT-M shall only be entitled to substitute performance after the second attempt at correction, which ELT-M must, in turn, request with the setting of a grace period of fifteen (15) days.
97. The warranty time limits specified above shall extend by the time periods in which the Supplier's services could not be utilized by the Customer due to defects. If services by the Supplier have been exchanged or replaced, the aforementioned regulations, particularly the guarantees, shall also apply to the exchange or replacement services; the aforementioned time limit specifications shall also apply to the exchange and replacement services.
98. The Supplier issues a guarantee to ELT-M for the correctness and completeness of the information and instructions in the delivered documentation. The Supplier commits to ELT-M, to rectify errors, inconsistencies or defects in the documentation, which are identified within the warranty period after the final acceptance test of the last service to be provided by the Supplier under the provisions of the Contract, free of charge.
99. The Supplier guarantees to ELT-M to provide technical support by seconding members of his staff to instruct and support ELT-M and Customer's personnel in repair, maintenance and modification activities, and to keep the functions of the services – accepted by the Supplier - available/restorable through repair or replacement (availability guarantee) for a duration of 15 (fifteen) years after the final acceptance of the service by the Customer (after-sales period). During this period the Supplier commits to ELT-M to:
- Repair the items out of warranty with repair prices during the life time of the product to be agreed in a separate maintenance contract.
  - Repair the items out of warranty with a time-to-repair comparable with the agreed in-warranty time-to-repair.
  - Handle the obsolescence of the products delivered against the P.O., promptly inform the Buyer about the occurrence of any obsolescence, and communicate to the Buyer the state of obsolescence for the products by the issuance of a yearly report.
- Liability**
100. The Supplier is responsible for any Supply-related damage and holds the Buyer and the Customer free from third party claims, insofar as the cause for the damage is within the sphere of control of the Supplier and he bears external liability.
101. The overall liability of the Supplier for any service under the provisions of the Contract is limited by the total price of the Supply, as per the P.O..
102. The Supplier is liable to the Buyer for the accuracy and completeness of the information and instructions set forth in the documentation.
103. The aforementioned liability limitation shall not apply in the following cases: (i) The Supplier has acted with intent or gross negligence, (ii) for damages due to injury of life, limb or health, for which the Supplier, his legal representatives or legal agents are responsible, and (iii) for the violation of third-party property rights. If claims are asserted by a third party against ELT-M or against the Customer, this by way of a real contract in favor of third parties as far as the liability limitation of the Supplier does not apply, the Supplier shall release and exempt each of them from all claims, as well as compensating ELT-M/the Customer for any damages incurred. Further claims that ELT-M or the Customer are entitled to in this case shall remain unaffected by the aforementioned.
104. The Supplier shall insure himself to an appropriate extent against all Supply liability risks, and will provide the Buyer with evidence of the product liability insurance policy at request of the Buyer.



### Export Licenses & Permits

105. Should any item purchased be subject to export restrictions, the Supplier shall be bound to notify the Buyer promptly in writing. Specifically, the Supplier shall promptly notify to the Buyer the presence of materials, technology, software, technical assistance or documentation associated with this order that are under the control of the American regulation "U.S. International Traffic in Arms (ITAR)" or similar regulation of other countries for the import/export control.
106. Such parts shall be suitably treated in accordance with the regulation applicable. In that case the Supplier will produce: (i) Material description and relative part number, (ii) the U.S. Munitions List category, if applicable, and (iii) Description of the type of license applied, notification of the license obtained, the number of that and any provisos contained in them.
107. Any export license or permission or approval required by the Government shall be obtained and secured by the Supplier, as part of the contractual responsibility of the Supplier. The Supplier is obligated within sixty (60) days from the date that the P.O. has been acknowledged in writing, to give a written notice to the Buyer whether or not the Government has granted an export license and to provide ELT-M with the necessary evidence.
101. It is understood that it is Supplier's responsibility to request to the Buyer the necessary information to correctly complete the required documents to obtain the license. On request of the Supplier, the Buyer will issue a letter for the Supplier within fifteen (15) days of the Effective Date of the Contract stating the End user's certificates, name and address and the End product (End use) or item in which the systems will be incorporated, in order to satisfy the export license application requirements.

### Contract Termination

102. The Supplier and/or the Buyer shall not be liable for delays in performance of his/their obligations when the delay is due to causes beyond Buyer and/or Supplier's control and not due to his/their fault or negligence. The following are considered as Force Majeure: epidemic, earthquakes, fire, strike (excluding ones at Supplier premises), war, riot, embargoes or acts of civil or military authorities, explosions in the Supplier's premises affecting the delivery of Supply subject to the Contract and any other events beyond Buyer and/or Supplier's control.
103. In the event of a Force Majeure having affected the Buyer and/or Supplier, the affected Party will notify the other Party within one (1) week from the occurrence of such Force Majeure event and will provide evidence, substantiating that the said cause prevents the good performance of his obligations with respect to the Contract.
104. Within fifteen (15) days after the occurrence of such Force Majeure event, both the Supplier and Buyer will meet to discuss the status of the situation and actions to be taken, in order to allow the Buyer to undertake correct actions towards the Customer.
105. If the occurrence of Force Majeure event has resulted in a delay of more than sixty (60) days, the Party not affected by the Force Majeure event reserves the right to terminate whole or partially

the Contract. In this case the Buyer accepts to receive the documented Supplier's Work in Progress, if usable to him.

106. Without affecting other rights or claims of the Buyer, the Parties agree that the Buyer can terminate the Contract fully or partially by means of a written declaration if an important reason exists. Justifying circumstances exist for the immediate termination of the Contract in case of Supplier's default, as
- the Supplier breaches his obligations under the Contract;
  - the Supplier fails to deliver the Supply in whole or in part within the delivery date agreed and reported in P.O. and fail to remedy the breach within sixty (60) days from such delivery date;
  - the Supplier fails twice the agreed reviews for major defects or serious lack of supporting evidence;
  - the maximum amount of liquidated damages is reached;
  - it is impossible over the long term for the Supplier to fulfil his obligations under the Contract;
  - the initiation of insolvency proceedings is applied for the Supplier's assets, the insolvency proceedings are opened, the opening of the insolvency proceedings is dismissed due to a lack of sufficient assets or insolvency plan proceedings have been initiated;
  - with respect to a person who belongs to the executive body of the Buyer and/or Customer or is in an employment relationship with the Buyer and/or Customer or otherwise represents the Buyer and/or Customer, the Supplier (a) offers, promises or grants an advantage to this person or a third party, or (b) commits extortion, a crime against the competition or (c) a comparable crime in accordance with the legal system that applies to the Buyer and/or Customer, as a perpetrator, co-perpetrator, accomplice or instigator - insofar as this is punishable according to the German Code of Criminal Procedure or the applicable legal system for the Buyer and/or Customer. In addition to the Supplier, each employee of the Supplier, any subcontractors, employees of any subcontractors and any other person associated with these are regarded as Suppliers in the aforementioned sense.
107. The Supplier shall inform the Buyer as soon as the Supplier will potentially undergo a material change of Control. The Buyer may terminate the Contract by given written notice to the Supplier within six (6) months of the Buyer being notified of becoming aware that the Supplier has undergone a change of Control where the Supplier has either failed to inform the Buyer or has been unable or unwilling to address the Buyer concerns to the Buyer's satisfaction.
108. In case of any termination for Supplier's default, no expenses for the activities related to the failed review or Supplier's duty under the Contract will be paid by the Buyer to the Supplier and all the amounts paid by the Buyer within the Contract up to the date of the termination notice will be promptly refunded by the Supplier, excepting those corresponding to the supplies completed, accepted and useful for the purpose of the Contract. In addition, the Supplier shall be subject to the payment of any incurred damages and any reasonable and demonstrable additional costs arising out of the need to purchase the Supply from another source.
109. In case of Supplier's failure solely due to a negligent act or omission of the Supplier in obtaining the Export License(s) (if applicable), within three (3) months from the signature date, the

Buyer shall have the right to terminate the Contract and no expenses for the activity done under the Contract will be paid by the Buyer to the Supplier.

110. Notwithstanding anything contained in the P.O., the Buyer may, at any time during the term of the Contract, by written notice to the Supplier (herein after referred to as "Termination Notice"), terminate for convenience the whole or any parts of the P.O. not yet performed or completed. This applies immediately if the Customer terminates the Contract with the Buyer. Upon the Termination Notice being served, the Supplier and all its suppliers and subcontractors at all levels shall cease any terminated activity in accordance with and to the extent specified in such Termination Notice and no further activities and subcontracts shall be started upon receipt of the Termination Notice.

111. Within thirty (30) days from the Termination Notice for Convenience or for Force Majeure, the Supplier shall submit to the Buyer, after an inspection and agreement of the Buyer, the list of the activities and work-in progress subject to termination together with a comprehensive description of their status and costs afforded for material and work Force. The reimbursement under the provisions of this Article shall be made only based on the evidence produced by the Supplier and accepted by the Buyer, and shall, in no way, exceed the price which would have been paid the Buyer for the items or for the terminated activity. In the event that any stage or advance payments paid by the Buyer to the Supplier in respect of the terminated part of the Supply exceeds the amount of the compensation, the Supplier shall refund such exceeding amount to the Buyer. At all times, the Supplier shall co-operate with the Buyer and do everything possible within its power to minimize and reduce the amount of Buyer's obligations in event of termination hereunder. Unless otherwise specified at the time of termination, all materials, parts, and unfinished work paid for by the Buyer under the provisions of the Contract, shall be delivered to the Buyer. The corresponding title shall pass to the Buyer upon delivery and full payment.

112. In case of terminated Contract, the Buyer is entitled to assign the Contract, or the portion not executed of it, to a third party.

#### **Contractual Penalties**

113. If the services accepted by the Supplier under the Contract have not been performed in accordance with the Contract, particularly not at the agreed site or at the agreed time or not in accordance with the agreed requirements or not in the agreed quantity, the Buyer has the right to claim a contractual penalty for each case of non-compliant service, payable by the Supplier to ELT-M, without being a further notification or warning to the Supplier required.

114. The contractual penalty for the late delivery amounts to 0.1% of the price (plus value added tax), which has been agreed for the service in the P.O., per each working day that the contractual breach continues from the original delivery date, up to a maximum of 50% of the price agreed for the entire Supply accepted by the Supplier under the Contract. Penalties for delay are applicable if the Customer claims correspondingly penalties to the Buyer for the late delivery of the Supply agreed under the Contract.

115. If the performance of the respective service should become permanently impossible for the Supplier, the full amount of the contractual penalty shall immediately fall due for payment.

116. If the Supplier delays in delivering the repaired part, the Buyer has the right to claim penalties of 0,1 % of the value of the delayed part per each day from the agreed delivery date up to 50% of the value of the delayed part.

117. The above penalties will not be applied in case of Delay due to Buyer's or Customer's responsibility or fault or due to causes as a result of Force Majeure, or if the delay has no impact on the fulfilment of Buyer's duties within the General Contract, and especially in the achievement of Milestones within the General Contract.

118. At any time the Buyer is entitled to any amount of penalty which was not previously deducted by Buyer. The contractual penalty is applicable in addition to the other claims issued by ELT-M, particularly in addition to claims for fulfilment, correction of defects and correction of damages or in relation to the Contract, and is not offset from other claims.

119. The contractual penalty can be asserted until final acceptance of the Supply according to the provisions of the Contract.

120. The contractual penalty can be offset by ELT-M from all claims by the Supplier against ELT-M, particularly also notwithstanding whether these claims have been assigned by the Supplier and ELT-M is aware of the assignment.

#### **Documentation**

121. All correspondence, notices, working papers and all other deliverable documents relevant to the Contract such as reports, technical data and/or publications will be in English language.

122. Each HW/SW deliverable shall be identified with a Configuration and Identification Document (CID), which shall be prepared and delivered by the Supplier together with the deliverable.

123. Each HW/SW deliverable to be considered as a Line Replaceable Unit (LRU) shall be characterized by the Supplier with its Mean Time Between Failures (MTBF) and a list of Time-to-Repair (TTR) values corresponding to the main failure causes. This information shall be provided to the Buyer within the Critical Design Review or, if not foreseen, latest ninety (90) days before the delivery. On request by the Buyer, the Supplier shall provide evidence on the calculation of the MTBF and TTR values.

124. The obsolescence report shall be issued by the Supplier and contains the following information for every component utilized in the products: p/n, description, manufacturer, end of life (EOL) status, years to EOL, Last Time to Buy (LTB) date, actions proposed, actions full description, actions status, actions cost.

#### **Final Provisions**

125. Unless agreed otherwise in the Contract, the Supplier shall send all correspondence to ELT-M, particularly invoices, to the following address: Eletronica GmbH, Am Hambuch 10, D-53340 Meckenheim.

126. The Supplier shall appoint a program manager and technical project manager for the Services to be provided within the Contract, as well as a person responsible for QA documentation

- and training, and shall provide ELT-M with their names in writing within fifteen (15) days after the start of the Contract.
127. The Supplier shall report by telephone on a regular basis on the current status of realization of his services to the ELT-M project manager. Furthermore, every four weeks on the first Wednesday of each month, the Supplier shall send a written status report to ELT-M project manager. The report must at least contain: general information about the progress of fulfilment of the Contract, outstanding points and initiated measures, description of the completed service, problems, and risks. If arranged deadlines and/or contents cannot be complied with by the Supplier, this shall be communicated to ELT-M as early as possible. In this case, suitable countermeasures shall be provided by the Supplier.
128. The Supplier furthermore commits to ELT-M to immediately provide verbal notification after problems occurrence that could impair the fulfilment of the Supplier's obligations under the provisions of the Contract.
129. At any time during the term of the Contract subject to fifteen (15) days prior notice to Supplier, the Supplier shall grant the Buyer and their duly authorized representatives reasonable access to all the facilities where the activities to execute the Contract is undertaken for the purpose of keeping in touch with the nature and progress of the relevant activities themselves. The above mentioned access includes the right to examine all the data and Confidential Information related to the Contract. In exercising any rights of access, the duly authorized visitors shall not impede or delay any performance of the Contract and shall in all respects observe and perform the existing general conditions of work on site.
130. Consultants and advisors engaged by the Buyer to assist the Buyer during the subsistence of the Contract shall be afforded access to the premises of the Supplier subject to such consultants and advisors and any visitors on behalf of Buyer executing confidentiality agreement with the Buyer and (if so required by the Supplier) with the Supplier. These provisions shall be flown down to subcontractors at all levels.
131. Any change(s) or alteration(s) or addition(s) to the Purchase Order shall only be valid provided they have been agreed upon in the form of a written amendment to the Purchase Order and signed by both Buyer and Supplier.
132. The Contract between the Parties shall be effective and come into force upon signature by the Supplier of the P.O. as per acceptance. The validity shall continue until all the obligations by the Parties have been completely fulfilled, included the execution of logistic support, if requested.
133. Both Parties agree that if any provision of the Contract is held to be illegal, unenforceable or otherwise abridged, the remaining Articles of the Contract shall continue to be binding on both Parties, provided the provision held to be illegal, unenforceable or otherwise abridged does not defeat the overall scope of the Contract. The invalid or unenforceable provision is to be replaced with a provision that comes closest to the purpose and objective of the invalid or unenforceable provision, in particular its economic purpose.
134. The completion or termination of the Contract will not release Buyer and Supplier from their obligations under the Contract.
135. The law of Germany applies to the Contract, to the exclusion of the UN Convention on Contracts for the International Sale of Goods (CISG). The exclusive legal jurisdiction for all disputes from or in relation to the Contract is 53340 Meckenheim.
136. The Supplier shall not assign nor transfer any of its rights and obligations under the Contract to any third party without the prior written consent of the other Party, which consent shall not be unreasonably withheld and except to its Parent Company, sister company, partner companies, affiliate companies, subsidiaries that are involved in the manufacturing and/or development of the Supply.
137. Except as otherwise specified in the Contract, no omission or delay on the part of either Party to exercise any right hereunder shall operate as a waiver of such rights.
138. A copy of the purchase order must be countersigned for acceptance and returned to the Buyer within 10 days of receipt. The signature on the copy of the order shall imply its unconditional acceptance by the Supplier, including the terms & conditions reported in its annexes and in this document. Non-confirmation may lead to the cancellation of the purchase order without any indemnities being due to the supplier. Nevertheless, if the Supplier does not return a copy of the purchase order and ELT-M does not cancel it, the commencement of the execution of the purchase order shall constitute its unconditional acceptance.

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