

Definitions

- Elettronica GmbH, referred to as ELT-M or *Buyer*, appoints the *Supplier* to perform services and/or deliveries (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 Public 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.
- *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. This document is an annex of the purchase order and has to be considered an integral part of the purchase order itself.
2. In case of a conflict between the terms and conditions set forth herein and the terms and conditions stated in the purchase order, these latter shall prevail
3. Each party shall be responsible for compliance with "export control rules" imposed from its own country and / or any third countries
4. The supplier shall inform the Buyer about all the government constraints imposed on the item subject to the p.o..
5. The supplier agrees to provide a copy of any export license to the Country of destination issued by its own government to cover each applicable purchase order (p.o.). For EU suppliers the license shall be sent within 30 days from the acceptance of the p.o.

Packaging and transport

6. The supplier shall package the items to be delivered at its own care and expenses in compliance with the transport best practices in order to protect them against humidity, rain, collisions, rust and electrostatic discharge.
7. In particular the item(s) must be shipped properly shielded from electrostatic discharge with a suitable packing, which will be marked according to existing standards.
8. It is understood that the supplier shall be liable towards the Buyer for any damages/losses deriving from defects/unsuitability in the packaging of the products.

9. The supplier shall clearly specify on each package and related correspondence the purchase order number and the Buyer code with the relevant s/n.
10. In addition, for each delivery, the supplier shall provide the Buyer with the following documents:
 - dispatch documents (packing list and invoice);
 - certificate of compliance (coc);
 - Test report.

Mandatory requirements

11. The supplier must accept and comply automatically the updating of the product to the revisions of the law and regulatory requirements.

Material subject to REACH and CLP regulation

12. In case of supply of substances, mixtures and articles as defined in the art. 3 of the regulation (EC) no 1907/2006 of the European parliament and of the council of the 18 December 2006 inherent to the registration, evaluation, authorization and the restriction of chemical materials (reach), the supplier shall attach the updated material safety data sheet – MSDS, compliant to the 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, amending and repealing directives 67/548/EEC and 1999/45/EC, and amending regulation (EC) no 1907/2006, for every furnished material, as is or combined with any other material part of the supply. Missing of the above documentation will be considered a material breach of contract and a sufficient condition to reject the delivery as not compliant.
13. The supplier shall not use asbestos or any materials that emit ionizing radiation. The use of these materials is forbidden, the products shall be conforming to the:
 - Directive 2009/148/EC of the European parliament and of the council of 30 November 2009 on the protection of workers from the risks related to exposure to asbestos at work.
 - Council directive 2013/59/EURATOM of 5 December 2013, laying down basic safety standards for protection against the dangers arising from exposure to ionizing radiation, and repealing directives 89/618/EURATOM, 90/641/EURATOM, 96/29/EURATOM, 97/43/EURATOM and 2003/122/EURATOM.
14. Missing of the above documentation will be considered a material breach of contract and a sufficient condition to reject the delivery as not compliant.
15. The supplier shall guarantee that the products object of the contract comply with mandatory requirements applicable (such as directives, regulations, law etc.).
16. The supplier shall perform a safety evaluation:
 - To identify the applicable requirements to the product

- To identify all safety features of the product
- To identify related hazards that may be present in the product
- To define specific procedural controls and precautions that should be followed

17. The supplier shall inform the Buyer about the hazards related to the use and maintenance of the Supply items, which results from the above-described analysis.

18. In any case, for any delivered s/n or lot, the supplier shall deliver the certificate/declaration of compliance to last version to:

- REACH and CLP regulation
- Forbidden material
- CE regulation (CE-marking)

19. Missing of the above documentation will be considered a material breach of contract and a sufficient condition to reject the delivery as not compliant.

Material subject to limited lifetime

20. The Supplier shall indicate the due date on the package.

21. The required temperature and proper conditions for above goods must be assured during transport.

22. The material can be shipped when the elapsed life is equal or less than 10% of declared useful life.

Anti-counterfeit

23. 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.

24. The Supplier also guarantees the implementation of a suitable policy to monitor the supply chain and prevent any conflict with the above.

25. The policy procedure has to be put at Buyer's disposal on request.

26. The failure in the observation of each provision of this article has to be considered as a material breach of the contract.

Certificate of compliance

27. A certificate of compliance shall be delivered by the Supplier to Buyer in the package containing the items. It shall be printed on Supplier's letterhead, signed by Supplier's quality assurance manager and addressed to Buyer. The document shall certify that

the Supply is in compliance with all the requirements as per purchase order and must contain the following information:

- certificate number and relevant date;
- purchase order number and date;
- supplier's delivery document number and date;
- Code, description and quantity of material supplied.
- configuration index of the material supplied

28. Without the said document Buyer will not accept the material and will not carry out the payment of the relevant invoice.

SW license

29. The Supplier grants the customer the non-exclusive and transferable SW license.

30. The supplier grants the Buyer and the Customer 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 customer.

31. The supplier grants the Buyer the possibility to sign the license agreement for and on behalf of the Customer in case the signature should be required on the license agreement.

32. The supplier expressly states that the provision of the SW license does not breach any intellectual property rights of others and agrees to indemnify the customer for any claims including claims of third parties.

33. Should the Buyer or the Customer notify the supplier of third party claims against it directly to rely on the infringement of copyright or a trade secret of third party, the supplier shall oppose at its own expense any such claim and will refund the Buyer and the Customer any occurred damage.

34. The foregoing shall not apply where the supplier can prove that the claimed violation by any third party is due to fraud or guilt of the customer.

35. The sole responsibility of the Buyer and Customer with respect to the distribution rights granted under this document is to distribute the licensed product in the format provided by the supplier.

Deliveries

36. Unless specifically authorized in written by the Buyer, no partial deliveries are allowed.

Force majeure

37. Neither party shall be held liable for any default/delay under this purchase order due to causes not predictable, beyond its reasonable control and not attributable to its fault or negligence. Subject to the above conditions the following are considered force majeure events: epidemics, earthquakes, fires, natural disasters, wars, revolts, embargoes, acts of civil or military authorities, and explosions in the premises of a party. Failure or delay in obtaining the required import/export authorizations by

the supplier or its sub-suppliers, if applicable, shall not be considered a force majeure event, unless the supplier demonstrates that this event is not attributable to its fault or negligence.

38. The party unable to perform its purchase order obligations because of a force majeure event shall notify the event it-self to the other party no later than seven (7) calendar days after its occurrence, specifying the nature, the expected duration and the foreseeable effects on the contractual activities, together with the proof of the occurrence of said event.
39. Within the subsequent fifteen (15) days upon the above notice, the parties shall examine the situation and the possible actions to undertake, in order to preserve the contractual activities and to agree how to proceed with the purchase order.
40. Should the occurrence of a force majeure event prevent or hinder the performance of the contractual obligations for more than three (3) months, the party not affected by force majeure has the right to terminate the purchase order.

Liquidated damages for delays and/or non-compliances in delivery

41. Should the supplier fail To successfully perform the activities required for each milestone as per the milestone plan, or, in absence of a milestone plan, to deliver the items compliant with the requirements of the present purchase order, for more than ten (10) days (considered as a grace period) from the due date, the supplier shall pay to the Buyer liquidated damages amounting to the 2% (two percent) of the value of the delayed milestone or of the price of the items to be delivered for each calendar week (or part thereof) of delay starting from the original due date defined in the purchase order.
42. In any case, the Buyer is entitled to apply liquidated damages up to a maximum of 10% (ten percent) of the value of the purchase order.
43. Buyer reserves the right to apply liquidated damages at any time also by deduction of the relevant value from the invoices still to be paid.
44. The liquidated damages will not prevent the supplier to claim the refund of any evidenced additional damages due to the supplier default.

Termination for default

45. In addition to any other remedy provided by the applicable law, Buyer shall have the right to terminate in whole or in part this purchase order for supplier's default in the following cases:
- if the maximum amount of liquidated damages as per above article is reached;
 - if a cumulative delay of two months is reached; or
 - if the supply is affected by any major non-compliance; or
 - if, during the execution of any of the design review, a non-compliance (technical or timewise) which could compromise the execution of the purchase order itself is identified; or

- if the supplier commits a material default.

46. In the above cases, Buyer shall notify the supplier its intention to terminate the contract by 15 (fifteen) days prior written notice. After such time, should the supplier not remedy the breach, unless differently instructed by Buyer, the purchase order is terminated.

47. In such event, the supplier shall refund Buyer of the damages/costs associated to the default and return to Buyer any advance payments received during the performance of the purchase order up to the date of receipt of the termination notice.

Termination for convenience

48. At any time Buyer has the right to terminate for convenience, partially or fully, this purchase order giving 10 (ten) days prior written notice. Upon the receipt of the termination notice, the supplier shall immediately suspend any contractual activities.

49. In the above case Buyer shall recognize to the supplier:

- the price of each item already delivered and accepted by Buyer;
- the reasonable costs, duly proved, incurred by the supplier and strictly concerning the activities performed in the frame of the purchase order up to the date of termination.

50. It is understood that in the specific case of termination as a result of termination of the main contract, the supplier will receive an amount not exceeding the one paid to Buyer by its Customer for the same activities.

Applicable law

51. The purchase order is subject to the rules of the German law.

Disputes

52. The parties shall make every reasonable effort to resolve any dispute, through meetings and conciliative discussions, in order to reach an amicable settlement of the dispute itself.
53. In case failure of the amicable settlement, the dispute shall be subject to the jurisdiction of the court of Bonn.

Liability

54. The supplier shall be liable for any contractual damages up to the limit of 100% of the purchase order value.
55. The liability for any other damages however caused by the supplier to Buyer in connection with the purchase order is regulated as per the applicable law.

Warranty

56. The supplier hereby declares and guarantees that every item delivered against this purchase order shall:
- be free of any defects in materials;
 - be free of inherent manufacturing defects, including construction processes;

- be free of design defects, including selection of materials;
- compliant to the requirements of this purchase order and its annexes.

The warranty shall last for 24 months from the delivery date of the items.

Warranty repairs

57. Buyer shall inform the supplier of any defects and faults covered by warranty pursuant the above clause, detailing exhaustively the inconvenience.
58. The supplier shall repair and deliver to Buyer the item within 30 (thirty) calendar days from the receipt by the supplier of the faulty item. Shipment care and expenses shall be in charge of the party shipping the item.
59. During the warranty period should the supplier fail to repair the faulty item within the above term, Buyer shall be entitled to apply the liquidated damages as per the clause "liquidated damages for delays and/or non-compliances in delivery" on the basis of the unit price of the item.
60. It is understood that the warranty of the item under repair shall be automatically extended by a duration equivalent to the period between the notification of the fault by Buyer and the receipt of the repaired item by Buyer.

Confidential nature of the purchase order

61. The purchase order, including its annexes, have to be considered confidential.
62. This purchase order cannot be used under any circumstances for advertising purposes by the supplier.

Confidential information

63. During the performance of the contractual activities, the parties may exchange information of any nature (financial, commercial, scientific, technical, etc.) deemed to be confidential.
64. Upon the receipt of information identified by the disclosing party as "confidential" through appropriate stamps or legends, the receiving party may disclose the above information only to those employees within its organization who have a need to know solely for the performance of the contractual activities. In addition to the above, the receiving party shall protect and keep the above information in strict confidence using the same degree of care used to protect its own confidential information of the same importance (in no case, less than reasonable care) and not disclosing or causing the disclosure of the confidential information to any third party unless disclosing party written authorization is released.
65. The receiving party shall have no obligations or restrictions with respect to any confidential information for which the receiving party can prove that: it has come into the public domain prior to its disclosure hereunder or, if thereafter, through no wrongful act of the receiving party; or it is already known to the receiving party; or it has been lawfully received by the receiving party from a third party without breach of this article; or it has been or is published without violation of this article; or it has been independently developed in good faith by employees of the

receiving party who did not have access to the proprietary information.

66. The completion or termination of this purchase order shall not relieve either party from its respective obligations deriving from this article.
67. Buyer reserves the right to disclose the supplier's confidential information to its customer as necessary to perform its General Contract.

Contractual Penalties

68. If the services or deliveries 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.
69. 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 10% 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.
70. 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.

Order acceptance

71. A copy of the purchase order must be countersigned for acceptance and returned to Buyer within 3 calendar days from the receipt.
72. The signature on the copy of the order shall imply its unconditional acceptance by the supplier. Non-confirmation may lead to the cancellation of the purchase order without any indemnities being due to the supplier.
73. Nevertheless, if the supplier does not return a copy of the purchase order and Buyer does not cancel it, the commencement of the execution of the purchase order shall constitute its unconditional acceptance.
74. The acceptance of the terms and conditions contained herein, through the stamp and signature of the supplier, has to be considered fully applicable to all future purchase orders issued by Buyer, except any specific exceptions reported in the same orders.

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