

## **GENERAL CONDITIONS FOR THE SUPPLY OF PRODUCTS**

These general conditions of supply shall govern relations between Eelectron Spa, with registered office at Via Monteverdi 6, 20025 Legnano (MI), share capital Euro 800,000, tax code, VAT number I11666760159 and registration with Milan Companies House (hereinafter "Eelectron") and the company appointed by Eelectron to supply the encoded materials or all the subjects receiving a purchase order making reference to these supply conditions (hereinafter the "**Supplier**").

### **ARTICLE 1 - NATURE AND EFFECT OF THE GENERAL CONDITIONS**

1.1. These general conditions of supply (hereinafter the "**General Conditions**") do not oblige Eelectron to appoint the Supplier to provision the products (hereinafter the "**Products**") until supply contracts (hereinafter the "**Supply Contracts**") have been stipulated between Eelectron and the Supplier following orders placed by Eelectron and accepted by the Supplier in the way specified below.

1.2 These General Conditions apply to all purchase Orders (hereinafter the "**Orders**") issued by Eelectron, through its duly-authorized proxies, with regards to the Supplier for the supply of Products. The General Conditions shall form an integral and substantive part of the Order to which they refer and the aim is to establish the general terms and conditions governing the provisions to be made, in accordance with specific Supply Orders.

1.3 The Supplier shall inform Eelectron to accept the Order by sending a copy of the order signed as a mark of acceptance by the Legal Representative (hereinafter the "**Order Confirmation**") in any of the following ways: e-mail, fax.

The Supply Contract shall be considered as stipulated upon receipt, by Eelectron, of the Order Confirmation. In any case, even without said Order Confirmation, the Supply Contract shall be considered as stipulated and subject to the General Conditions by automatic tacit consent once five (5) calendar days have passed from the date on which the Order was sent and, in any case, if the Supplier starts to develop and/or supply the goods specified in the Order.

If the supplier's acceptance contains new or different conditions to those set forth in the order placed by Eelectron, they shall be considered as a new proposal and not be binding on Eelectron.

1.4 Contractual conditions that differ from the General Conditions attached hereto, recalled, added or amended by the Supplier shall not be valid unless specifically accepted in writing by Eelectron.

1.5 These conditions are valid on a permanent basis, starting from the date of stipulation and cancel and replace any previous conditions that may have been signed.

### **ARTICLE 2 - PRODUCT DELIVERY**

2.1 The terms and conditions for the delivery of the Products are specified in the Order. All Products must be delivered on the date and to the place specified in the Order. The agreed delivery terms are compulsory; therefore, in addition to delays, no advance deliveries may be made ahead of the agreed delivery date, unless specifically authorised in writing by Eelectron.

2.2 Without prejudice to Eelectron's right to claim compensation for damages, if the Supplier should delay delivery of all or part of the Products with respect to the date specified in the Order, Eelectron shall have the right to terminate the Supply Contract entirely or the part concerned by the default.

2.3 In the event of failure to deliver the products within the terms established, Eelectron may demand that the supplier pay a penalty equal to 3% of the value of the entire order, for each working week's delay; this is without prejudice to compensation for greater damages.

2.4 Products must be delivered by the supplier taking all the steps necessary to guarantee the correct transport and storage of the materials without affecting their integrity or the capacity to fulfil their duty. For all non-conformities, Eelectron may demand that the supplier pay a penalty in the amount of Euro 50.00, without prejudice to compensation for greater damages.

2.5 Goods packaging shall be considered as disposable unless otherwise agreed in writing; the packaging must in any case be appropriate for the material supplied and the means of transport used.

### **ARTICLE 3 - PRODUCT QUALITY AND ACCEPTANCE**

3.1 Products must comply in full with the technical and functional specifications defined in the Order.

3.2 In order to verify said conformity, Eelectron shall have the right to inspect the Products and/or arrange for their inspection by third parties duly appointed to this end.

3.3 If flaws and/or non-compliance with that ordered, also with respect to any technical specifications of Eelectron should be noted in the Products, the Supplier must remedy the matter promptly by repairing/replacing the Product.

In the event of non-compliant Products, Eelectron may choose, in addition to the remedy of replacement as specified above, to either: **a)** recover the non-compliant Products with supplementary workings to be carried out by and at the expense of the Supplier, on the basis of prior written agreements reached in this respect; or **b)** refuse the Products or the entire batch of which they are a part, without requesting their replacement, terminating the related Supply Contract by simple written notification to the Supplier; in neither case shall any amount be due to the Supplier on any grounds.

This is without prejudice to the right of Eelectron to terminate the Supply Contract in the event of failure to accept the Products due to their non-conformity with that ordered.

3.4 The rights to inspect and/or to accept the Products do not entail any waiver by Eelectron of any of its legal and contractual rights, specifically including the warranty against flaws and/or operating defects pursuant to article 4 and compensation for damages suffered.

### **ARTICLE 4 - WARRANTY AGAINST FLAWS**

4.1 Unless otherwise agreed in writing, all Products delivered by the Supplier shall be covered by a correct operating warranty for a period of at least 12 (twelve) months from the date of delivery.

4.2 Eelectron shall have the right to obtain compensation from the Supplier for direct damages suffered as a result of the flaws and/or non-conformity of the Product with respect to that ordered.

### **ARTICLE 5 - CONFIDENTIALITY**

All technical, technological, construction and process information and all data, designs or specifications of which the Supplier may become aware or come into possession by virtue of the issue of an Order or the fulfilment of a Supply Contract, must be considered as strictly confidential and, therefore, subject to the confidentiality clause.

The Supplier undertakes to use said confidential information only to fulfil the Supply Contracts and shall maintain this confidentiality clause for five (5) years following completion of the supplies.

### **ARTICLE 6 - SAFETY**

The Supplier undertakes to only supply Products that are compliant with current legislation, undertakes to comply with all the provisions governing regulated substances and/or substances that are banned in the European Union and, in particular, the provisions indicated in Regulation 2006/1907/EC (the REACH regulation).

Where applicable, even if producing or marketing the products outside the European Union, the supplier guarantees that all products comply with European legislation and, in particular (but not only):

- directive 2006/95/EC (low voltage directive)

- directive 2004/108/EC (electromagnetic compatibility directive).

The supplier undertakes to remain up-to-date with regards to any future developments, amendments and supplements to the EU directives. If the products should not comply with the provisions of the regulation, the supplier undertakes to inform Eelectron promptly in advance.

### **ARTICLE 7 – THIRD PARTY LIABILITY**

If Eelectron should be summonsed to court for civil and/or contractual liability as a result of flaws and/or unreliability of the Products supplied by the Supplier, the latter shall be obliged to indemnify Eelectron and compensate any damages Eelectron may suffer.



To this end, Eelectron shall inform the Supplier promptly of any third party challenges relating to flaws, non-conformities or unreliability of the Products supplied.

#### ***ARTICLE 8 - INDUSTRIAL PROPERTY RIGHTS***

The results and/or partial or final developments, consequent to and deriving from the Supplier's activities in fulfilment of the Supply Contracts carried out in accordance with technical specifications provided by Eelectron shall be exclusive property of Eelectron, together with all the related intellectual property rights, with no limit in time or territory and shall not give rise to any further remuneration of the Supplier over and above that agreed in the Supply Contract.

#### ***ARTICLE 9 - TRADEMARKS***

The Supplier cannot modify, alter, conceal, remove or in any other way interfere with any trademark, service mark, business mark, verbal mark, figurative mark or other distinctive marking if added to the supplies at the specific request of Eelectron.

The Supplier undertakes not to add its own trademark, service mark, business mark, verbal mark, figurative mark or other distinctive marking to the Products supplied in accordance with specific technical specifications of Eelectron, except with the prior written consent of Eelectron.

It is therefore agreed that violation of this ban shall authorise Eelectron to refuse said supply, to terminate the related Supply Contract and to obtain compensation for the damages suffered.

#### ***ARTICLE 10 - INVOICING AND PAYMENTS***

1. Invoices issued by the Supplier must be sent to Eelectron in digital format to the e-mail address [reception@eelectron.com](mailto:reception@eelectron.com) specifying the Order number.

2. Payments will be made as specified in the Order.

#### ***ARTICLE 11 - TERMINATION OF SUPPLY CONTRACTS***

In the event of failure or inexact fulfilment of the Supply Contracts by the Supplier, Eelectron may terminate these in accordance with art. 1454 of the Italian Civil Code, by means of notice to fulfil within the terms of 7 calendar days of receipt, to be sent to the Supplier by means of letter sent recorded delivery with advice of receipt.

If within these terms, the Supplier has not remedied the total or partial breach, without prejudice to the consequent automatic termination of the Supply Contract, Eelectron shall have the right, with no need for any legal action to be taken, to withhold the amounts accrued in any case in the favour of the Supplier, also by virtue of supplies other than that not made or made incorrectly, by way of advance on compensation for damages caused as a result of the violation; the Supplier hereby waives raising any exception in this respect.

#### ***ARTICLE 12 - WITHDRAWAL***

Eelectron reserves the right to withdraw from any Supply Contracts that have not yet been fully fulfilled by the Supplier, at its own judgement and without said withdrawal resulting in any request for compensation or indemnity of any kind, if any of the following situations should arise:

- 1) transfer, by the Supplier, of the business or business unit involved in the provisions undertaken by the Supplier in accordance with the Supply Contracts;
- 2) the Supplier is liquidated;
- 3) Supplier application for bankruptcy or its being subject to any other bankruptcy procedures.

The Supplier must inform Eelectron by means of letter sent recorded delivery with advice of receipt if any of said situations should arise within 15 (fifteen) calendar days of the date of the event.

Eelectron may exercise its faculty to withdraw pursuant to this article by informing the Supplier by means of letter sent recorded delivery with advice of receipt, faxed or e-mailed ahead, and in this case, the date of the fax or e-mail shall be taken as valid, to be sent within thirty (30) calendar days of receipt of the recorded delivery letter pursuant to the above paragraph.



Withdrawal shall take immediate effect unless otherwise agreed between Eelectron and the Supplier regarding the completion of supplies not yet made.

**ARTICLE 13 - FORCE MAJEURE**

Where supplies cannot be made due to force majeure, the delivery terms shall be extended for the period of time for which the cause of force majeure applies.

If the cause of force majeure should result in a significant delay in the delivery, Eelectron shall have the right to revoke or cancel all or part of the order by notifying the Supplier in writing to this effect.

***ARTICLE 14 - COURT OF JURISDICTION***

Any dispute in connection with the interpretation, fulfilment or termination of these General Conditions, the Orders issued by Eelectron and the related Supply Contracts shall be submitted to the exclusive jurisdiction of the Court of Milan.

In confirming the purchase order issued by Eelectron, the Supplier declares to specifically approve the following articles in accordance with art. 1341 and 1342 of the Italian Civil Code: 1.3 (automatic tacit acceptance of orders), 2 (Product delivery), 3 (Product quality and acceptance), 4 (warranty against flaws), 7 (third party liability).