

| <b>NOTE: This review only pertains to items that are related to Quality. T&amp;Cs for EH&amp;S, Legal, Accounting, or Contracts will need to be reviewed by the applicable department. The follow sections do not apply to Quality: 1, 5, 6, 7, 8, 10 – 15, 16 – 22, portions of 23; Page 5 : 2,</b> |                |                           |   |
|--|----------------|---------------------------|---|
| <b>Page</b>  | <b>Section</b> | <b>Note</b>               | <b>Comments</b>   |
| 1  | 2.1.d          | EXCEPTION                 | CE marking will not be on a label unless it is part of the original design holder's specifications.   |
| 1  | 2.1.e          | Comment                   | This will need to be flowed down to any repair vendor as they sometimes utilize cannibalized subcomponents.   |
| 1  | 3.1.a          | Ops<br>Comment            | Parts must be packaged in accordance with EU Directive 94/62/EC. If this document is needed, Contracts will need to supply this document to Operations for review.  |
| 1  | 3.1.b          | QC Comment<br>/ EXCEPTION | C of C is required with all shipments. AAR does not provide special storage instructions.   |
| 1  | 4.3            | Comment                   | This section would be applicable to repair centers for which AAR will subcontract the repairs. These items should be flowed down to the subcontractor.  |
| 3  | 15             | EXPORT                    | This section will need to be reviewed by AAR's Trade Compliance Department  |
| 5  | 1.1            | Comment                   | IAY-G-05 will be reviewed separately and any exceptions or comments noted.  |
| 5  | 1.4-1.5        | EXCEPTION                 | AAR will likely need more than 5 days to perform investigation of any rejections. AAR is a distribution center and any rejected parts will need to be returned to and reviewed by the repair center / Supplier. |
| 5  | 3              | EXCEPTION                 | AAR's standard Terms & Conditions will apply as it relates to Warranty.   |
|  |                |                           |   |





Leonardo S.p.a.

## Terms and conditions for the supply of goods and services

N° GTC\_ALL\_ALL\_210

Issue date: 19 October 2017

In these terms and conditions (Conditions) capitalised terms are as defined where first used or otherwise in clause 23.

### 1. BASIS OF CONTRACT

1.1 The purchase order (Order) accompanying these Conditions constitutes an offer by Leonardo S.p.a. (Company) to purchase Goods and/or Services from the supplier named thereon (Supplier) subject to and in accordance with these Conditions and any specific terms set out in the Order. In the event of any conflict between the Conditions and a specific term set out in the Order, a specific term shall take precedence over these Conditions.

The Order shall be deemed to be accepted by means of returning a copy (including the attachments) thereof, duly signed by the Supplier, within fifteen (15) calendar days from issue thereof by the Company. Once such term has lapsed in vain, the Company reserves the right to cancel the Order or consider the late acceptance by the Supplier as valid and effective, at which point and on which date a contract (the Contract) shall come into existence. Orders issued by an agreed electronic method shall be deemed received on the date sent.

1.2 These Conditions apply to the Contract and exclude any other terms that the Supplier seeks to impose or incorporate, or which are implied by trade, custom, practice or course of dealing.

1.3 All of these Conditions shall apply to the supply of both Goods and Services except where the application to one or the other is specified.

### 2. SUPPLY OF GOODS

2.1 The Supplier shall ensure that the Goods:

- correspond with their description and conform with the Goods Specification;
- are of satisfactory quality and fit for any purpose held out by the Supplier or made known to the Supplier by the Company, expressly or by implication, and in this respect the Company relies on the Supplier's skill and judgment;

(c) are free from defects in design, materials and workmanship;

(d) comply with all applicable statutory and regulatory requirements and international carriage codes relating to the manufacture, labelling (including CE marking), packaging, storage, handling and delivery, by whatever means, of the Goods. Where the Goods are, or incorporate, dangerous goods or chemicals, the Supplier shall diligently comply with its obligations hereunder and promptly provide all material safety data sheets and SVHC declarations as required; and

(e) are free of second hand, counterfeit and/or replica parts.

2.2 Save for any latent defects, the Company shall only be able to bring a claim for any defects in materials and workmanship before the expiry of the latter of: (i) twenty four (24) months from the date of delivery to the Company; (ii) twelve (12) months from acceptance of the Goods by the Company's customer (if applicable); and (iii) any other period stated in the Order.

2.3 The Supplier shall ensure that at all times it has and maintains all the licences, permissions, authorisations, consents and permits that it needs to carry out its obligations under the Contract in respect of the Goods.

### 3. DELIVERY OF GOODS

3.1 The Supplier shall ensure that:

(a) the Goods are properly classified, labelled and packaged in compliance with the European Union (EU) Directive 94/62/EC and any modification or amendment to it and secured in such manner as to enable them to reach their destination in good condition. Any packaging materials and/or their return to the Supplier shall be at the cost and risk of the Supplier;

(b) each delivery of the Goods is accompanied by a delivery note which shows the date of the Order, the Order number (if any), the type and quantity of the Goods (including the code number of the Goods (where applicable) and special storage instructions (if any), together with a Certificate of Conformance.

3.2 The Supplier shall deliver the Goods strictly in accordance with the Goods Specification on the date specified in the Order (or, if no such date is specified, then within 30 days of the date of the Order) and, unless otherwise instructed by the Company, during the Company's normal hours of business on a Business Day. Save where expressly stated on the Order, delivery shall be DAP Incoterms (ed. 2010). Deliveries prior to the date specified in the Order are not permitted.

3.3 The Supplier shall deliver the quantity of Goods ordered strictly in accordance with the Order, failing which the Company may reject the Goods and any rejected Goods shall be returned at the Supplier's risk and expense.

3.4 Title and risk of the Goods shall pass to the Company on completion of delivery in accordance with the requirements of the Contract.

### 4. SUPPLY OF SERVICES

4.1 The Supplier shall at its own risk, for the duration of this Contract, provide the Services to the Company in accordance with the terms of the Contract.

4.2 The Supplier shall meet any performance dates for the Services specified in the Order or notified to the Supplier by the Company.

4.3 In providing the Services, the Supplier shall:

(a) co-operate with the Company in all matters relating to the Services, and comply (at no additional cost) with all reasonable instructions of the Company;

(b) perform the Services with the best care, skill and diligence in accordance with best practice in the Supplier's industry, profession or trade;

(c) use personnel who are suitably skilled and experienced to perform tasks assigned to them, and in sufficient number to ensure that the Supplier's obligations are fulfilled in accordance with this Contract;

(d) ensure that the Services and Deliverables conform with the Service Specification, and that the Deliverables shall be fit for any purpose expressly or impliedly made known to the Supplier by the Company;

(e) save as agreed with the Company in writing, provide all equipment, tools and vehicles and such other items as is required to provide the Services;

(f) use the best quality goods, materials, standards and techniques, and ensure that the Deliverables, and all goods and materials supplied and used in the Services or transferred to the Company, will be free from defects in workmanship, installation and design;

(g) obtain and at all times maintain all necessary licences and consents and comply with all applicable laws and regulations; and

(h) not do or omit to do anything which will or may cause the Company to lose any licence, authority, consent or permission upon which it relies for the purposes of conducting its business, and the

Supplier acknowledges that the Company may rely or act on the Services.

### 5. OBSOLESCENCE

The Supplier must notify the Company in writing without delay of any actual or potential obsolescence issues affecting the Contract, that it identifies from time to time, such notice to include complete and accurate details of: (a) the obsolescence issue identified; (b) its impact on the performance of the Contract; and (c) any actions that could be taken in mitigation (including the cost of such actions). The Supplier shall comply with the relevant internal procedures referred to in the Order, as applicable.

All relevant non-recurring and extra-recurring costs, if any, resulting from obsolescence issues during the performance by the Supplier of the Contract shall be fully borne by the Supplier.

### 6. WORKING AT SUPPLIER'S OR COMPANY'S PREMISES

6.1 The Supplier accepts (and shall procure) that any work carried out by or on behalf of the Supplier at the Company's premises and any visit by any of the Supplier's employees, agents and sub-contractors to the Company's premises shall:

(a) be subject to the Company's general conditions of work on site as are in force from time to time (copies available upon request);

(b) comply with all relevant legislation, including the Legislative Decree n. 81/2008, the Management of Health & Safety at Work Regulations 1999, the Legislative Decree n. 152/06 (Testo Unico Ambientale) and any modifications or amendments to such legislation; and

(c) meet their regulatory obligations regarding environmental compliance.

6.2 The obligations under clause 6.1(b) and (c) shall also apply to the Supplier's premises (or any premises at which the Supplier operates and its subcontractor's premises) in respect of work carried out for or on behalf of the Company.

6.3 The Supplier shall allow the Company's authorised representatives, the Company's customers and/or regulatory authorities at any reasonable time to have access to the Supplier's premises (or to arrange access to other relevant premises) and to all relevant technical information for the purpose of auditing all aspects of the Supplier's performance of (and compliance with) a Contract, including inspecting and testing the Goods and/or the performance of the Services; but any such inspection or testing shall not constitute acceptance of the Goods and/or Services by the Company.

Leonardo - Società per azioni

Registered Office:

Piazza Monte Grappa, 4 - 00195 Rome - Italy

Ph. +39 06 324731 - Fax +39 06 3208621

veivoll@pec.leonardocompany.com

Company Share Capital € 2.543.861.738,00 fully paid up  
Tax Code & Company Registered no. 00401950585  
VAT no. 00881841001

R.E.A. n. 7031

Company Internal



- 6.4 The Supplier and sub-contractors shall fulfil or give to the Company all the Health and Safety documentation required in the Legislative Decree n. 81/2008 or the additional documentation required by the Company.
- 6.5 The Supplier and sub-contractors shall only access restricted areas and/or use Company machinery or tools when permitted by the Company.
7. **COMPANY MATERIALS**  
In supplying the Goods and/or Services, the Supplier shall hold all equipment or items of whatever kind including but not limited to raw materials, samples, jigs, tooling, drawings, patterns, specifications and/or data supplied by the Company to the Supplier in connection with the Contract (Company Materials) in safe custody at its own risk, adequately insure the Company Materials with a reputable insurer to its replacement value, maintain the Company Materials in good condition and in accordance with any instructions or manuals provided or identified to the Supplier by the Company (fair wear and tear excepted), clearly mark the Company Materials as the property of the Company (including any Company issued tooling number as applicable), not dispose or use the Company Materials other than in accordance with the Company's written instructions or authorisation and, at the Company's written request, return the Company Materials at the Supplier's risk and expense. The Supplier shall indemnify the Company against all loss of or damage to any Company Materials which occurs whilst it is in the Supplier's possession, custody or control. The Company may at any time on request have the right to inspect any Company Materials. All Company Materials are the exclusive property of the Company.
8. **COMPANY REMEDIES**  
8.1 If the Supplier is in breach of any terms of the Contract, the Company shall, without limiting its other rights or remedies, have one or more of the following rights:  
(a) to terminate the Contract in accordance with clause 16;  
(b) to refuse to accept any subsequent performance of the Services and/or delivery of the Goods;  
(c) to recover from the Supplier any costs incurred by the Company in obtaining substitute goods and/or services from a third party;  
(d) to have refunded all sums where the Company has paid in advance for Goods and/or Services that have not been delivered by the Supplier; and  
(e) to claim damages for any additional costs, loss or expenses incurred by the Company which are in any way attributable to the Supplier's breach;  
(f) to require the Supplier to repair or replace, at Company option, any rejected Goods within 30 days of notification, or to provide a full refund of
- the price of the rejected Goods (to the extent paid); and  
(g) to reject the Goods (in whole or in part) whether or not title has passed and to return them to the Supplier at the Supplier's risk and expense.
- 8.2 If any Goods and/or Services are not delivered by the applicable date, the Company may, at its option, claim or deduct, from any sums payable, two per cent (2%) of the total price, in aggregate, of the Goods and/or Services; (i) not delivered on the correct date; and (ii) which have been delivered but that cannot be used by the Company for the purpose for which they were ordered, as a result of the delay, for each week's delay in delivery by way of a penalty as per article 1382 of the Italian Civil Code, up to a maximum of fourteen (14) per cent. Such penalty shall be charged for the delay in delivery and is not in substitution of the remedy in clause 8.1 above. The Company shall not impose such penalty provided the delay in delivery does not exceed seven (7) calendar days.
- 8.3 The Company may withhold any advance payments agreed under the Contract if the Supplier has breached the Contract until such time as the breach is remedied to the Company's reasonable satisfaction.
- 8.4 These Conditions shall extend to any substituted or remedial services and/or repaired or replacement goods supplied by the Supplier, save that for repairs only the unexpired part of the periods in clause 2.2 shall apply.
- 8.5 The Company's rights under this Contract are in addition to its rights and remedies implied by the law.
9. **COMPANY'S OBLIGATIONS**  
The Company shall provide the Supplier with reasonable access at reasonable times to the Company's premises for the purpose of providing the Services and provide such information as the Supplier may reasonably request for the provision of the Services and the Company considers reasonably necessary for the purpose of providing the Services.
10. **CHARGES AND PAYMENT**  
10.1 The price for the Goods and/or the charges for the Services (deemed to include every cost and expense directly or indirectly incurred by the Supplier in connection thereto) shall be the amount set out in the Order, exclusive of value added tax. No extra charges shall be effective unless agreed in writing and signed by the Company.
- 10.2 In respect of Goods, save as otherwise agreed, the Supplier shall invoice the Company on or at any time after completion of delivery. In respect of Services, the Supplier shall invoice the Company on completion of the Services. Each invoice shall include such supporting information (i.e. shipping documents for Goods and a certificate of acceptance for Services) required by the Company to verify the accuracy of the
- invoice, including but not limited to the relevant Order number.
- 10.3 In consideration of the supply of Goods and/or Services by the Supplier strictly in accordance with the Order, the Company shall pay the invoiced amounts within ninety (90) days of that different term agreed in the Contract and upon receipt of a valid and correct invoice to a bank account nominated in writing by the Supplier. In case of supply of Services, all invoices shall be payable only if accompanied by DURC (*Documento Unico di Regolarità Contributiva*) required by Italian law or any other equivalent certification of labour compliance required by the law, valid and effective at the date of payment.
- 10.4 Payments shall only be made in favour of the Supplier and therefore cannot be made to bank accounts of any individual or legal person other than the Supplier and in the country where the activities are performed or where the Supplier has its tax residence or registered office.
- 10.5 The Supplier shall maintain complete and accurate records of the time spent and materials used by the Supplier in providing the Services. The Supplier consents to the Company disclosing copies of all Orders and Supplier invoices to the Company's customer where required by law and the Supplier shall ensure that this right is procured from its suppliers in connection with the Contract.
- 10.6 For any disputed matters, payment obligations shall be suspended in connection thereto until the matter is finally resolved.
11. **INTELLECTUAL PROPERTY RIGHTS**  
11.1 In respect of the Goods and any goods that are transferred to the Company as part of the Services under this Contract, including without limitation the Deliverables or any part of them, the Supplier warrants that it has full clear and unencumbered title to all such items, and that at the date of delivery of such items to the Company, it has full and unrestricted rights to sell and transfer all such items to the Company and its onward supply to (and use by) third parties.
- 11.2 The Supplier assigns to the Company, with full title guarantee and free from all third party rights, all Intellectual Property Rights developed in connection with the Goods and/or Services under the Contract;
- 11.3 The Supplier shall, promptly at the Company's request, do (or procure to be done) all such further acts and things, provide or procure any necessary information and/or know how to the Company and execute all such other documents for the purpose of securing for the Company the full benefit of the Contract, including without limitation all right, title and interest in and to the Intellectual Property Rights assigned to the Company in accordance with clause 11.2.

12. **INDEMNITY**  
The Supplier shall keep the Company indemnified against all liabilities, costs, expenses, damages and losses suffered or incurred by the Company as a result of or in connection with any claim made against the Company:  
(a) for actual or alleged infringement of a third party's Intellectual Property Rights arising out of, or in connection with, the manufacture, supply or use of the Goods, or receipt, use or supply of the Services, but only to the extent that the claim is not attributable to acts or omissions of the Company;  
(b) by a third party for death, personal injury or damage to property arising out of, or in connection with, defects in Goods, to the extent that the defects in the Goods are attributable to the acts or omissions of the Supplier, its employees, agents or subcontractors; and  
(c) by a third party arising out of or in connection with the supply of the Goods or the Services, to the extent that such claim arises out of the breach, negligent performance or failure or delay in performance of the Contract by the Supplier, its employees, agents or subcontractors.
13. **INSURANCE**  
During the term of the Contract and for a period of three (3) years thereafter, the Supplier shall maintain in force, with a reputable insurance company, a public liability insurance, and a product liability insurance, for an amount suitable to cover any liabilities that may arise under or in connection with the Contract, and shall, on the Company's request, produce the insurance certificate.
14. **CONFIDENTIALITY**  
14.1 The Supplier shall keep in strict confidence all technical or commercial know-how, specifications, inventions, processes or initiatives which are of a confidential nature and have been disclosed to it by the Company, its employees, agents or subcontractors, and any other confidential information concerning the Company's business, its products and services which the Supplier may obtain. The Supplier shall only disclose such confidential information to those of its employees, agents and subcontractors who need to know it for the purpose of discharging the Supplier's obligations under the Contract, and shall ensure that such employees, agents and subcontractors comply with the obligations set out in this clause as though they were a party to the Contract. The Supplier may also disclose such of the Company's confidential information as is required to be disclosed by law, any governmental or regulatory authority or by a court of competent jurisdiction, provided that the Supplier notifies the Company in advance of any such disclosure where it is lawful to do



so and provided that the Supplier shall not release the same to any third party unless it receives prior written assurances that it will be treated in confidence. The Supplier shall immediately return all confidential information to the Company on request.

14.2 The Supplier shall not publicise or otherwise disclose this Contract nor any of its terms to any party without the prior written approval of the Company.

#### 15. EXPORT LICENCES AND CONSENTS

15.1 The Supplier shall obtain, at its own cost, all such export licences and other consents in connection with any Goods and/or Services as are required from time to time prior to the dispatch of the relevant shipment or provision of the relevant Services (as applicable) and shall promptly provide copies of the same to the Company on receipt thereof together with accurate and complete details of: (i) all authorised third parties (to include the end user) and their role; (ii) the Goods and/or Services, part or item, export classification number; (iii) the country of origin; (iv) the country of manufacture; (v) export licence number, and (vi) export licence date of issue. The Company may withhold all further payments under this Order until the Supplier has fully complied with its obligations under this clause 15.1.

15.2 Should the Supplier not be able to deliver the Goods and/or Services on the agreed delivery date as a result of non-availability of any export licences and/or consents the Supplier shall use its best endeavours to secure the required export licences and/or consents without further delay and shall indemnify the Company against all liabilities, costs, expenses, damages and losses suffered or incurred by the Company arising out of or in connection with such delays save where such failure and/or delay is beyond the reasonable control of the Supplier.

#### 16. TERMINATION

16.1 Without limiting its other rights or remedies, the Company may terminate the Contract in whole or in part at any time with immediate effect by giving written notice to the Supplier, whereupon the Supplier shall discontinue all work on the Contract so terminated and shall immediately repay to the Company any advance payment(s) paid by the Company to the Supplier relating to the Contract (or part thereof) so terminated.

16.2 Subject to clause 16.3, the Company shall pay the Supplier fair and reasonable compensation for any work in progress on the Goods at the time of termination and/or for any Services already performed, but such compensation shall not include loss of anticipated profits or any consequential loss. The Supplier agrees to accept such sum in full and final satisfaction of all claims arising out of such termination and it shall use its best endeavours to minimise the direct loss arising from such termination. In no case will the amount payable by the Company for the terminated work exceed the price that would have

been payable if that work had been completed. The Company reserves the right to recover any completed part of the Goods and/or Services and any relevant documentation related thereto.

16.3 The provisions of clause 16.2 shall not apply where the Company has terminated the Contract for any of the following reasons:

- (a) the Supplier commits a breach of any term of the Contract and (if such breach is remediable) fails to remedy that breach within fifteen (15) days of receipt of notice in writing to do so;
  - (b) the Supplier is unable to pay its debts as they fall due or is deemed unable to pay its debts;
  - (c) the Supplier makes a proposal for or enters into any compromise or arrangement with its creditors or it enters into liquidation or it suffers the appointment of an administrator or receiver;
  - (d) the Supplier (being a company) is subject to a winding up petition or (being an individual) is the subject of a bankruptcy petition or order to the extent permitted and, subject to article 72 of the Legislative Decree 9<sup>th</sup> January 2006, n. 5 or any other equivalent law on the matter;
  - (e) the Supplier suspends or ceases, or threatens to suspend, or cease, to carry on all or a substantial part of its business;
- and in such circumstances the Company shall have the right to recover any costs, charges, or expenses incurred, including those sustained to procure the Goods and/or Services elsewhere in addition to any further damages or losses that the Company may suffer as a consequence of such termination. Termination of the Contract, however arising, shall not affect any of the parties' rights and remedies that have accrued as at termination.

16.4 Clauses which expressly or by implication survive termination of the Contract shall continue in full force and effect, including but not limited to clause 12 (Indemnity) and clause 14 (Confidentiality).

16.5 On termination of the Contract for any reason, the Supplier shall deliver to the Company, immediately upon request, all Deliverables whether or not then complete, and return all Company Materials. Until they have been returned or delivered, the Supplier shall be solely responsible for their safe keeping and will not use them for any purpose not connected with this Contract.

#### 17. ETHICAL CONDUCT AND ANTI-BRIBERY COMPLIANCE

17.1 The Supplier shall:

- (a) comply with the Company's Codes of Ethics and Anti-corruption Code and Company's Organizational Management and Control Model pursuant to Legislative Decree 8<sup>th</sup> June 2001 n. 231 ("Law 231/2001") in force from time to time, available on the Company's website, regarding

which the Supplier declares its thorough knowledge and acceptance;

- (b) comply with all applicable laws, statutes and anti-corruption including but not limited to Law 231/2001 as amended from time to time;

(c) not engage in any activity, practice or conduct which would constitute an offence;

(d) promptly report to the Company any request or demand for any undue financial or other advantage of any kind received by the Supplier in connection with the Contract; and

(e) are compliant with any anti-mafia normative. 17.2 The Supplier shall ensure that any person associated with it who is performing services or providing goods in connection with the Contract does so only on the basis of a written contract which imposes on and secures from such person terms equivalent to those imposed on the Supplier in this clause 17.

17.3 The Company shall be entitled to suspend a Contract where it reasonably suspects a breach of clause 17 until the matter is resolved to the Company's satisfaction.

#### 18. OFFSET OBLIGATIONS

At the Company's request, the Supplier shall use its reasonable endeavours to support the Company in fulfilling its Offset Obligations and shall grant to the Company the full benefit of all applicable offset credit in relation with the Order.

#### 19. COMPLIANCE WITH LAWS AND RULES

In its performance of the Contract the Supplier shall comply with:

- (a) all applicable laws and regulations including, but not limited to, the Relevant Regulations as may apply. The obligation contained in this clause 19 is in addition to all other Conditions requiring the Supplier to comply with all applicable laws;
- (b) the Company's Quality Requirements for Suppliers as may be in force from time to time;
- (c) Law 136/2010, if the final Customer is an Italian public entity. In this case the parties undertake to trace and record the financial flows related to the performance of the supply. In particular the Supplier is committed to:
  - ensure that contracts and/or orders contain the provision under this article;
  - use payment methods to ensure full traceability of every financial movement related to the Order;
  - communicate the bank details in compliance with the law provisions;

- indicate in the invoice the number of C.I.G. and/or CUP sent by the Company.

The Company reserves the right to require, at any time, even by fax or via e-mail the documentation providing the fulfilment of the obligations stated in this article. In the event of non-fulfilment by the Supplier of the present provision, the Company may suspend any payment to the Supplier.

#### 20. PROCESSING OF PERSONAL DATA

20.1 The Supplier acknowledges and consents that personal data (hereinafter Data) provided to the Company - as Controller as defined by Legislative Decree 196/03 and EU Regulation 2016/679 (hereinafter jointly Privacy Regulation) - even during the negotiation stage, will be processed for administration-accountability purposes, to comply with legal obligations and for purposes related to proper execution of the Order, as well as preserved in writing and/or on magnetic, electronic or telematic support.

20.2 The Supplier agrees that the consent to Data processing is considered compulsory and any refusal may determine Company's inability to discharge contract relationships.

20.3 The Parties also acknowledge that, whether in the performance of the Services the Supplier has access to Company personal data, the Supplier - as External Processor - undertakes, with the subscription of the Order, to comply with any directive made at his own charge by the Controller, in compliance with the obligations provided for in Privacy Regulation.

#### 21. GENERAL

21.1 The Company may, but the Supplier may not assign, transfer, mortgage, charge, subcontract, declare a trust over or deal in any other manner with all or any of its rights or obligations under the Contract without the prior written consent of the Company, such consent not to be unreasonably withheld or delayed in the case of a subcontract proposed by the Supplier that is deemed to be necessary to the fulfilment of the Order.

21.2 Any notice or other communication given to a party under or in connection with the Contract shall be in writing, addressed to that party at its registered office (if it is a company) or its principal place of business (in any other case) or such other address as that party may have specified to the other party in writing in accordance with this clause, and shall be delivered personally, or sent by pre-paid first class post or other next working day delivery service or commercial courier. A notice or other communication shall be deemed to have been received: if delivered personally, when left at the address referred to in this clause 21.2 above; if sent by pre-paid first class post or other next working day delivery service, on the second Business Day after posting; if delivered by commercial courier, on the date and at the time that the courier's delivery



receipt is signed. The provisions of this clause shall not apply to the service of any proceedings or other documents in any legal action.

21.3 If any provision or part-provision of the Contract is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of the Contract.

21.4 A reference to a statute or statutory provision in the Contract is a reference to such statute or statutory provision as amended or re-enacted. A reference to a statute or statutory provision includes any subordinate legislation made under that statute or statutory provision, as amended or re-enacted.

21.5 A waiver of any right or remedy under the Contract or law is only effective if given in writing and shall not be deemed a waiver of any subsequent breach or default. No failure or delay by a party to exercise any right or remedy provided under the Contract or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.

21.6 Nothing in the Contract is intended to, or shall be deemed to, establish any partnership or joint venture between the parties, nor constitute either party the agent of the other for any purpose. Neither party shall have authority to act as agent for, or to bind, the other party in any way.

21.7 A person who is not a party to the Contract shall not have any rights to enforce its terms.

Except as set out in these Conditions, no variation of the Contract, including the introduction of any additional terms and conditions, shall be effective unless it is agreed in writing and signed by the Company.

## 22. GOVERNING LAW AND JURISDICTION

The Contract, and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims), shall be governed by, and construed in accordance with, the laws of Italy and each party irrevocably submits to the exclusive jurisdiction of the court of Rome, Italy.

## 23. DEFINITIONS

**Business Day:** a day other than a Saturday, Sunday or public holiday in Italy.

**Certificate of Conformance:** a certificate signed on behalf of the Supplier by an appropriately qualified

For the Supplier:

The Supplier declares that it has read all the clauses of this Order, specifically approving, pursuant to articles 1341, paragraph two and 1342 civil code, the following articles: 3. Delivery of Goods; 8. Company Remedies; 10. Charges and Payment; 12. Indemnity; 16. Termination; 17. Ethical Conduct and Anti-Bribery Compliance; 21. General; 22. Governing Law and Jurisdiction.

For the Supplier:

representative confirming that the Goods supplied conform to the Goods Specification.

**Deliverables:** all documents, products and materials developed by the Supplier or its agents, contractors and employees as part of or in relation to the Services in any form or media, including without limitation drawings, maps, plans, diagrams, designs, pictures, computer programs, data, specifications and reports (including drafts).

**Goods:** the goods (or any part of them or any repairs or replacements thereto) set out in the Order.

**Goods Specification:** the specification for the Goods, including any related plans and drawings, as set out in the Order.

**Intellectual Property Rights:** patents, rights to inventions, copyright and related rights, trade marks, business names and domain names, rights in get-up, goodwill and the right to sue for passing off, rights in designs, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how), and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world.

**Offset Obligation:** a contractual obligation imposed on the Company that requires the Company to purchase, or facilitate the purchase of, goods and/or services from and/or otherwise invest in a foreign country.

**Relevant Regulations:** any applicable law such as but not limited to: Regulation (EC) No. 1907/2006; EU Directives 2002/95/EC and 2011/65/EU; EU Directive No. 96/29/EURATOM; EU Directive 2006/25/EC; Italy Legislative Decree n. 81/2008; Legislative Decree 8<sup>th</sup> June 2001 n. 231; EU Directive 2001/95/EC; EU Directive 2006/25/EC and; International Standards for Phyto-sanitary Measures #15; Legislative Decree n. 152/06 (Testo Unico Ambientale); Regulation (EC) No. 1272/08; Legislative Decree n.177/11; Legislative Decree n. 334/99; EU Directives 2006/95/EC, 1997/23/EC, 2006/42/EC, 1994/9/EC, 2004/108/EC and 95/46/EC re Data Protection; and the Montreal Protocol.

**Services:** the services, including without limitation any Deliverables, to be provided by the Supplier under the Contract as set out in the Service Specification.

**Service Specification:** the description or specification for Services as stated in the Order.

**SVHC:** a substance of very high concern as defined in Regulation (EC) No. 1907/2006 (REACH).





The following "Special conditions of purchase" are hereby incorporated into the "Terms and conditions for the supply of goods and services" and, in case of any inconsistency between the "Terms and conditions for the supply of goods and services" and these "Special conditions of purchase", the latter shall prevail.

## Aircraft Division

### Special conditions of purchase

#### 1. QUALITY, INSPECTION AND ACCEPTANCE OF GOODS AND SERVICES

1.1 The Supplier shall comply with the Company's "QUALITY REQUIREMENTS FOR SUPPLIERS" nr. IAY-G-05, as amended, which the Supplier hereby declares to well know and accept and deemed to be incorporated herein by reference.

1.2 Except if otherwise defined in applicable technical Specifications, each Good and Service shall be subject to acceptance test at Supplier's premises (if applicable), concerning the state of readiness of the Goods/Services and the compliance with the Order and subsequently subject to incoming inspection at their delivery or completion, for Company's formal acceptance.

1.3 Should the inspections, as per clause 1.2 above, show that any of the Goods/Services do not comply with the provisions of the Order and/or with the relevant packing list, the Company shall have the right to reject the Good/Service and to suspend the payment until any non-compliance has been corrected.

1.4 Starting from the date of issuance of Company's rejection notice, the Supplier shall have five (5) working days, or any other longer mutually agreed period, to:

- verify the defective Good/Service on the premises and to eliminate, at the Supplier's costs and expenses, the reason(s) for rejection or, alternatively,
- enable the Company and/or any of its authorized third parties to eliminate the reason(s) for rejection; all Company's costs and expenses will be reimbursed by Supplier or off-set by any amount due to the Supplier within thirty (30) days from the relevant notification.

1.5 Should Supplier not be able to eliminate the reason(s) for rejection within the given period of time as per clause 1.4 above, the relevant Good/Service can be definitively rejected by the Company. To the extent provided by law, the title on rejected Good and any related risk shall be taken on by the Supplier. Ex Company's/Company's consignee's Works, where the

Good is stored, the Supplier shall also assume any risk and cost for the storage, keeping and delivery of rejected Good.

1.6 For the avoidance of doubt, formal acceptance of the Good/Service by the Company or by its customer (the Final Customer) shall not relieve the Supplier of any other responsibilities under Leonardo's "Terms and conditions for the supply of goods and services", including clause 3 (Warranties and Guarantees).

1.7 Goods/Services partially delivered/supplied and/or rejected shall be considered as non-delivered/completed.

#### 2. REMEDIES FOR LATE PAYMENTS

In the event of late payments attributable to the Company's exclusive fault, the Supplier shall be entitled to claim interests for late payments upon written request, at a rate of five per cent (5%) per annum, accruing as of the fifteenth day from Supplier's written injunction to pay. The Parties expressly acknowledge and agree that such rate is fair and reasonable pursuant to article 7 Legislative Decree 231/02.

Additionally, the Parties agree that the Supplier shall be entitled to a further amount of five hundred/00 Euro (€ 500,00) as compensation and liquidated damage for the costs incurred to claim the outstanding payment. Any further remedy and/or right to claim for damages is hereby expressly excluded.

#### 3. WARRANTIES AND GUARANTEES

3.1 The Supplier warrants to the Company that the Good/Deliverable shall, at the time of delivery, comply with the Order, with the Specification and with any other applicable document, and in any case shall be free from defects, in particular (if applicable):

- in material, manufacturing process and workmanship whatever the origin;
- in design having regard to the state of the art at the time of the Order and including defects arising from the choice of materials and/or parts forming the Good/Deliverable;

- (Limited to those Goods installed on an aircraft) such as to hinder, restrict or annul the validity of the certificate of airworthiness of the aircraft on which the item is fitted;

Normal wear and tear is not covered by this warranty. Also, this warranty shall not apply to a Good/Deliverable which:

- has been misused, mishandled or abused by the Company or the Customer;
- has not been properly stored;
- shall have been rendered defective as the result of an accident not attributable to the Supplier.

3.2 Unless differently provided in applicable documents or agreed by the Parties, the warranty period of each Good/Deliverable shall be:

(a) twenty four (24) months from the date of acceptance of the Good/Deliverable by the Company, or

(b) (where applicable) twelve (12) months from the date of acceptance of the Good/Deliverable by the Customer (for items to be installed on an aircraft, this provision applies whether such Good/Deliverable is installed in an aircraft or component thereof, or furnished to the Customer as a spare part and subsequently installed in an aircraft or component thereof) and / or entry into service of the Good,

whichever period is the longer, up to a maximum warranty period of thirty (30) months from the date of acceptance by the Company.

The above provisions (a) and (b) shall not apply to Goods/Deliverables subject to shelf life limitations, for which the warranty period shall start upon delivery and shall expire at the "Item's Expiration Date" as indicated on the Supplier's perishable materials label in accordance with the Specification.

Repaired or overhauled item(s) shall be covered by a guaranteed warranty period of twelve (12) months or for the residual standard warranty period, whichever is longer.

3.3 Within thirty (30) days from the date when the defect has come to Company's knowledge, the Company shall forward to the Supplier a warranty claim describing the noticed non-compliance and shall send the item alleged to be defective to the Supplier within additional fifteen (15) days, unless otherwise advised by the Supplier. The Supplier shall assess each warranty claim within eight (8) days as of: (i) the receipt of the item, or (ii) the receipt of the claim, if the Company is directed not to send the item. A warranty claim shall be deemed to have been accepted by the Supplier if it has not been expressly rejected during the above mentioned eight (8) day period, since the Supplier waives any right to raise an objection pertaining the relevant warranty claim.

3.4 The Supplier shall, at his own risk and expense, within thirty (30) days as of receipt of the defective item, promptly make all repairs, rework, replacement or corrections required to correct any non-compliance of the item. The property of defective Good/Deliverable returned to and replaced by the Supplier shall be vested on the Supplier. In the event the defective Good/Deliverable is not repaired or replaced, as the case may be, within such thirty (30) day period, then the remedies set forth in clause 8.2 of Leonardo's

"Terms and conditions for the supply of goods and services" shall apply.

3.5 All costs, including freight costs, related to the Company's rights under this clause 3 shall be at the Supplier's expense.

For the Supplier:

The Supplier declares that it has read all the clauses of this Order, specifically approving, pursuant to articles 1341, paragraph two and 1342 civil code, the following articles: 1. Quality, Inspection and Acceptance of Goods And Services; 2. Remedies for Late Payments; 3. Warranties and Guarantees.

For the Supplier:

