

Date of issue	Rev.	Author	Changes Description
07.06.2018	1	Bertoglio	§ 4: added "EFM notify any verification or validation activities that EFM, or its customers, intend to perform at the supplier's premises" (ref. § 8.4.3 (f) ISO 9001:2015). Added § 13 concerning the periodic suppliers evaluation. Added § 15 concerning the privacy disclaimer.

The General Supply Terms are applicable to orders issued by Elettronica FM S.r.l. (hereinafter: EFM). The acceptance of an order by the Supplier, involve knowledge and acceptance of this document.

**These General Supply Terms shall enter into force from date of issue indicated above. In case of no formal communications from the Supplier within 10 days of submission, they are considered tacitly accepted.**

#### 1. ORDER'S CHANGES

Any modification of the order concerning quantities, prices or other changes, is valid only if previously agreed and subsequently confirmed by formal order modification.

#### 2. DOCUMENTS

If requested by EFM, the ordered materials must be supplied with technical documentation and certificate of conformity.  
The non-delivery of the certificate of conformity will be a sufficient condition for the rejection of the material.

#### 3. SHIPMENT

The risks of the shipped goods is in charge to the Supplier and pass against EFM upon delivery at its stores, even if the transport is paid by EFM. For each delivery, the Supplier will provide a packing slip showing the details of the order. Withdrawals are intended made with reserve for verification of the quantity and quality.

#### 4. VERIFY OF THE COMPLIANCE

The goal for each Supplier is to obtain the "Free Pass" for its supplies. EFM reserves the right to require the replacement of the material even only partially non-compliant with the requirements, or to reject them except the right to claim damages. Any added cost is in charge to the Supplier. Any deviation from the contract specifications must be authorized in writing by EFM. If any quality defects are not detected before use of the goods, EFM may require to refund the damage caused by this problem.

In case of supply interruptions or qualitative problems, EFM reserves the right to verify progress, execution and quality of supplies related to their orders, through visits and inspections by its officials or its customers at the Supplier.

EFM notify any verification or validation activities that EFM, or its customers, intend to perform at the supplier's premises.

Drawings, equipment, models and molds provided by EFM, must be checked by the Supplier before use and returned when supply is completed. The provided parts must be in good condition and with their identification codes, on pain of suspension of the invoice of the delivery.

#### 5. WARRANTIES

The goods referred to supplies made in execution of EFM orders are guaranteed against material defects, manufacturing defects, operating and assembly faults and in general from all the evident and latent defects, for a period of 12 months from the date of delivery.

The detection of default from the Supplier entitles EFM to withhold payments referred to earlier services (also not related to the specific order), to guarantee against the impact of default.

#### 6. DELIVERY

The terms of delivery are absolutely binding for the Supplier. EFM is only obliged to accept the ordered quantities. Quantities less than the ordered quantity are never admitted, unless previously agreed.

For orders issued to distributors, if after the delivery date this has not yet occurred or has not yet been carried out the shipment of the material, EFM has the right to cancel the order reserving any further right of reimbursement of the damage incurred or arising.

For orders issued to manufacturers for custom products, if after the delivery date this has not yet occurred or has not yet been carried out the shipment of the material, EFM has the right to apply a penalty equal to 2% every 7 days late, up to a maximum of 10%; after this time, EFM has the right to cancel the order reserving any further right of reimbursement of the damage incurred or arising.

If several deliveries are planned, EFM should cancel the portion of the order not yet processed even if only one delivery was not carried out. The goods delivered earlier than the expected delivery date, without specific request in writing by EFM, will be rejected or, if accepted, payment terms shall be effective from the contractual deadline.

#### 7. PACKAGING

The material must be packed properly and safely, in order to avoid manipulation and damage during the transport. The package with weight more than 15 kg must be packed using euro pallet 80x120 or pallets 80x60. The maximum height of the pallet must be 2 meters.

In order to minimize the overall dimensions, it is requested to use the same pallet for more packages with weight more than 15 kg each (in the respect of the maximum load of the pallet). If individual packages weigh less than 15 kg but exceed the total weight of 80 kg, delivery must take place on pallets. We do not accept loose boxes weighing more than 15 kg each.

The maximum weight of the shipment on pallets, regardless of the single box weight, should not exceed 15 quintals.

The material must be correctly identified. Outside of the package should be applied the summary packing list of the entire expedition. In order to allow a fast and immediate identification of the material, the packing list must be applied on each individual package, especially when inside there are more packages.

The packing list must show:

- Product description
- EFM identifying code
- Purchase order number
- Transport document number

**8. PROPERTY AGREEMENT**

Unless otherwise agreed in writing by the Parties, property transfer will take place upon arrival of the goods at the plant of destination or the destination otherwise agreed. Each of the retention of title clause inserted by the Supplier shall be deemed not written. The transfer of risk will follow property transfer.

**9. SUBCONTRACTORS**

The Supplier takes full responsibility for the execution of the orders, even if he has entrusted the production to one or more subcontractors and this has been brought to the attention of EFM.

**10. INVOICING**

Invoicing are only accepted for the values and reasons provided by the order. Any other charges of any kind are not accepted if not agreed in writing.

**11. DATA SECURITY AND CONFIDENTIALITY**

The Supplier will keep confidential all business and technical information made available by EFM. The information will be available only at the headquarters of the Supplier and only to the people involved in the production. These people are obliged to not disclose any information. The information are exclusive property of EFM and may not be duplicated or used without authorization of EFM. If requested by EFM, all information submitted (including copies or records, if applicable), as well as goods and tools provided for use by EFM to the Supplier, they must be immediately returned or demonstrably destroyed. All rights on such information are reserved for EFM (including private industrial rights and intellectual property).

**12. INTELLECTUAL AND INDUSTRIAL PROPERTY**

The Supplier warrants that the goods supplied and any part of them do not violate any patent, license, industrial patent, model or industrial design, copyright or any other rights of intellectual and industrial property of third parties. The Supplier warrants that it has the full right to use, produce and sell the goods to be supplied and EFM will have the full right to use and resell such goods.

The Supplier agrees to indemnify EFM from any claim or action for violation of intellectual or industrial property rights of third parties, to pay all costs incurred by EFM for the defense in case of such claim or action, and to compensate EFM for any damage, loss or injury suffered as a direct or indirect consequence of such claim or action.

**13. PERIODIC SUPPLIERS EVALUATION**

The evaluation of the performance of suppliers (Vendor Rating) is carried out every four months, using the methods described in the document no.IO.041, considering the following indicators:

- Product quality
- On-time delivery
- Service level (including incidents of premium freight)
- Quality System Certification

Suppliers are informed:

- immediately, if the performance are insufficient compared to the EFM standards
- periodically, if the performance are considered inadequate compared to the EFM standards

Where necessary and appropriate, second party audits can be scheduled and corrective actions may be requested from suppliers.

**14. GOVERNING LAW AND DISPUTE SETTLEMENT**

In any case of dispute, the only jurisdiction is that of the registered office of EFM, excluding any exception even though contemplated by the law.

**15. PRIVACY DISCLAIMER**

The privacy disclaimer pursuant to Legislative Decree 196/2003 and section 13 of the European Regulation 679/2016 of the GDPR, is published on [www.elettronicafm.it](http://www.elettronicafm.it).

Stamp and signature of Supplier	Date