

## Introduction

This document (hereinafter, "specification") regulates the supplies for SPEA placed on the back of the purchase order.

Unless explicitly (totally or partially) excluded in the order itself, the specification is entirely applicable to the supply, as foreseen by the order, regarding the following types of supplies:

- electromagnetic devices;
- printed circuits;
- electronic devices;
- wood and metal carpentry and mechanical parts;
- tenders and maintainers;
- calibration services;
- general services.

In addition to this specification, further reference documents for carrying out the supply are:

- SPEA's purchase order;
- The laws in force and the legally binding technical norms which are applicable to the item to be supplied;
- The detailed specifications applicable to special supplies (ref. para. 8), as defined in the purchase order;
- Supplier Code of Conduct.

The supplier, to implement the order, is furthermore requested to consider performance and objectives communicated through SPEA Supplier Code of Conduct concerning:

- work conditions
- occupational health and safety
- environment
- ethics

SPEA corporate social responsibility, therefore Ethics and Labor, Environment, Health & Safety and Quality policies are available on SPEA website.

## 1. Contractual Relations

Contractual relations are governed by the following conditions.

### 1.1 Purchase Order

The purchase order is the document which confirms the agreement between SPEA and the supplier.

The order cannot be changed, except by a written agreement, duly signed by the head of SPEA's Purchasing Department.

In the case of contrast between the documents, the order of priority is established as follows:

- The laws in force and the legally binding technical norms applicable to the item to be supplied;
- The purchase order;
- Related documents (General Specification consisting of this document-, Detailed Specifications –ref. para. 8-, manufacturing drawings, technical specifications, etc.).

### 1.2 Transferability of the order

The order and/or its execution may not be transferred, or partially transferred by the supplier, without SPEA's prior authorization.

The purchase, by the supplier, of products normally used or requested, based on SPEA's order, will not be considered as a sub-contract.

### 1.3 Disputes

All disputes will be dealt by the court of Turin. The laws of Italy will be applied.

## 2. Norm References

All supplies to SPEA must comply with the applicable legal and normative requirements regarding their quality and compliance, safety and environment.

SPEA asks its own suppliers to work with the highest standards of ethics and business integrity, in compliance with laws in force for environment, occupational health and safety and human rights. Suppliers are furthermore required to put in place policies for opposing corruption discriminatory behavior and harassment inside their organizations.

## 3. Technical documents, regarding quality, safety and hygiene at work and respect of the environment, regarding the supply

Should the supply be based exclusively on SPEA's documents, it will be its responsibility to send the updated issue of such documents together with the order.

The supplier must carry out the work requested according to the indications included in the order and related documents; the supplier must be compliant with the requirements about banned chemical substances contained in TR-003 available on SPEA web site.

If the documents are affected by uncertainties or requirements not compatible with feasibility or supply conformity (e.g.: errors, shortcomings, tolerances, etc.), already during the review of the requirements for products and services the supplier should (ref. par. 8.2.3 of ISO 9001 standard):

- Highlight these situations to SPEA's Purchasing Department *before* using the documents;
- Wait for instructions.

The supplier cannot disclose information concerning SPEA documents and products to third parties.

The supplier commits to maintain the confidentiality of information and documents received from SPEA.

At the end of supply relationship with SPEA, the supplier has to delete and destroy all documents provided by SPEA.

## 4. Tooling

All tooling owned by SPEA, consigned on a loan basis to the supplier or constructed by such at SPEA's total expense, should be kept in the best maintenance condition, made available for calibration (if necessary), used properly and only for the completion of SPEA's order.

Use by third parties must be expressly authorized by SPEA.

SPEA will charge the supplier, giving adequate documentation, for any eventual repair costs caused by insufficient maintenance or improper use of the tooling itself.

SPEA reserves the right to request its return at any time.

## 5. Material used in working process

All materials consigned for the working process, will be exclusively used by the supplier for the purpose expressly requested by SPEA:

The supplier is required to verify the type, completeness and quality of the materials on receipt.

Any errors or damage during transportation must be pointed out to the forwarding agent immediately and at the same time communicated to SPEA.

Discrepancies in quantities sent and any defects found on first inspection must be communicated to SPEA immediately.

The materials must be handled and stored on behalf of the supplier, so as to guarantee their state of conservation.

On completion of the work requested or on completion of the order, all materials in excess will be returned to SPEA:

## 6. Sampling for approval

Should SPEA deem necessary, it can request the manufacture of a defined number of items on which SPEA can check the quality, followed by its approval of the supply, based on its own judgment. Under no circumstances is the supplier authorized to start production or preparation of the materials without the written receipt of the above-mentioned order confirmation.

## 7. Productive Process Reliability

### 7.1 Systems, machinery and instruments

The supplier should undertake to make available and maintain suitable systems, machinery and instruments, with the purpose to ensure that the products or the service to be supplied comply, at all times, with the applicable legal and regulatory requirements, of paragraph 2 of this specification.

Furthermore, it should guarantee their proper maintenance in terms of the laws in force, including deriving waste management. Where applicable, the additional requirements indicated in the detailed specifications should be observed (see para. 8).

### 7.2 Supporting documents for productive process.

The supplier should, where required, be in a position to provide proof of proper execution of the order, by preparing and updating its technical documentation to implement the order, (eg. work cycles and checks, specifications for the maintenance of production tooling, technical requirements, registration documents, etc.).

### 7.3 Verification of checking and testing instruments.

The supplier must make checking, measuring and testing equipment available, which is suitable to assure compliance of the supply with the applicable requirements.

A basic principle of suitability consists of an adequate level of uncertainty of the instrument with respect to the tolerance assigned to the characteristic being measured. Instruments must be tested periodically for efficiency, maintenance and calibration.

### 7.4 Perishable materials

All products which are liable to perish in time or because of the weather or unsuitable environmental conditions must be identified by the supplier, by means of the indication of:

- Date of manufacturing;
- The recommended environmental conditions for preservation;
- Expiry date (Shelf Life).

All of the above, in addition to any legal applicable regulations which require further indications.

Materials which have exceeded 30% of their life span will not be accepted.

Expired products which are the property of SPEA must be returned to SPEA properly identified and clearly marked "EXPIRED" on the outside of the package.

### 7.5 Modification to supply objects

No modifications may be made to the supply which is the subject of the purchase order, without SPEA's written authorization.

The supplier is obliged to give notice of any technical or technological innovations which improve the quality and/or characteristics of the supply.

### 7.6 Configuration check

Only applicable for products for which the supplier owns the intellectual property rights (eg.: power supply, PC., etc.).

The supplier must assure that the products with the same part number (P/N) are fully interchangeable with regards to shape, installability and performance.

Should one of these parameters differ, the product P/N must be changed.

It is granted that products with the same P/N but with a different configuration index can be made and maintained differently, while at the same time, preserving the above.

In any case, any modification, when carried out after the previous dispatch, must be indicated on the certificate or equivalent document.

### 7.7 Traceability (Trace and tracking)

The supplier must assure the traceability of the product or the batch of products.

Similarly, the supplier must assure the traceability of the process carried out for the completion of the supply (eg. maintenance service facility regarding the supply).

### 7.8 Serialization

The supplier must serialize the parts when specified in the order or requested by specific technical documents regarding the product. SPEA reserves the right to arrange for and agree to a particular system for the serialization.

### 7.9 Management of non-complying or rejected materials

Non-conforming materials cannot be supplied to SPEA without supplier deviation request and SPEA's "Quality Supplier Department" approval; in these cases the supplier shall :

- Fill in form 092 "Supplier Deviation Request" and send it to SPEA's Quality Supplier Department;
- Wait for deviation request acceptance and act following instructions specified in the deviation;
- Identify the parts the deviation was requested for;
- Affix copy of the filled in "Supplier Deviation Request" (form 092) to the parts to be supplied.

"Supplier Deviation Request" (form 092) can be sent to SPEA Quality Supplier Department:

- delivered by hand;
- through email or with other fast means of communication.

SPEA Quality Supplier Department will evaluate whether to authorize supplier to deliver as is the product or service deviation was requested for, to give information for reworking or to reject the product or service.

## 8. Detailed Specifications

The detailed Specifications shown below are to be applied as an integral part of this Specification for specific supplies indicated:

- 8.1 Electromechanic devices (eg. Cables wiring, electromechanical or pneumatic systems) Document SQ 301, according to current revision.
- 8.2 Printed circuits Document SQ 302, according to current revision.
- 8.3 Electronic devices (eg. card or modules) Document SQ 303, according to current revision.
- 8.4 Carpentry and mechanical parts Document SQ 304, according to current revision.
- 8.5 External contracts and maintenance (eg maintenance of boilers, extinguishers, inspectance, building work etc.) Document SQ 305, according to current revision.
- 8.6 Calibration services; Document SQ 306, according to current revision.

## 9. Compliance certificates or declarations

### 9.1 Certificate/declaration of product compliance

The supplier is obliged, if not otherwise agreed with SPEA, to issue a compliance certificate/declaration with which it formally and effectively guarantees the compliance of the supply with the applicable requirements.

Each batch consigned should be accompanied by the above-mentioned certificate/declaration, without which SPEA has the right to refuse the batch.

The compliance certificate/declaration may be prepared on the supplier's form (together with the documents accompanying the

goods), provided it is signed by the Head of Quality or another person in authority, provided he/she is of a superior managerial level within the company organization.

#### 9.2 Inspection certificate

When requested in the order, the supplier should enclose a test report with the supply, regarding the checking parameters such as: dimensions, physical size, chemical analysis, technological tests, functional parameters etc..

#### 9.3 Declaration of conformity for "CE" branding

For products subject to CE conformity branding, the supplier (if located within the European Community or the person who first introduced it into the above-mentioned area) is required to issue the applicable Declaration of Conformity.

#### 9.4 Products subject to homologation

For products for which the current legislation requires details regarding testing and certification, the supplier should outline the compliance, including, together with the first supply and/or on SPEA's specific request, a copy of the Homologation Certificate for each type of brand mark shown on the product.

### 10. Supplier Surveillance

SPEA reserves the right to check with the supplier's personnel, that the products ordered comply with the applicable requirements during their preparation and before shipment to SPEA.

The supplier should provide all information regarding the preparation and checking of the products on order and grant inspectors access to its production department.

The same right must be granted to SPEA's customers, on prior agreement.

Verification by SPEA or its customer does not relieve the supplier of its responsibility regarding the order.

SPEA reserves the right to verify, by means of its own personnel, that the supplier's premises, facilities and site comply with good practices in order to develop the product, as well as with the applicable requirements and SPEA Supplier Code of Conduct in matters of labor, ethics, environment, health and safety in the workplace.

The supplier is required to put, all information regarding authorizations, authorized regulations and corresponding monitoring at the disposal of SPEA's personnel, and grant SPEA's personnel access to its production departments.

### 11. Testing at the Supplier's

SPEA reserves the right to carry out acceptance checks/tests of the products ordered, at the supplier's premises, in the presence of its customer and on prior agreement. The check/test at the supplier's will be requested on the order; the results of the check/test will be communicated to the supplier; it will be the supplier's responsibility to remedy any irregularity reported.

### 12. Procurement by the Supplier of products / services intended to be part of the supply to SPEA

#### 12.1 Products / Services

When the supply order foresees the use of products or services not supplied by SPEA but which are the supplier's responsibility, the latter should, at its own expense:

- see to the procurement of the products or services in the quantity and quality necessary to carry out the supply
- ascertain and record that the products or services procured correspond to the instructions of this specification and to other requirements requested by the drawings and/or the order.
- procure products or services in a responsible manner and respecting the principles of SPEA Supplier Code of Conduct.
- source minerals as tantalum, tin, tungsten, gold in compliance with EU "Conflict Minerals" Regulation (2017/821).

#### 12.2 Documentation certifying the quality of the product or service procured

In the purchase order and at its discretion, SPEA may ask the supplier to deliver, together with the supply, documentation showing the quality of the product or service (analysis certificates, testing of the mechanical, physical and chemical characteristics, compliance declarations etc.).

Non-receipt of such documentation could result in the blocking of payment for the supply, until the missing or omitted documents have been forwarded.

### 13. Acceptance and Guarantee

#### 13.1 Acceptance of the goods

The mere delivery or payment of the goods cannot, in any way, be considered as an acceptance of the goods, which will be carried out by SPEA's competent department within 12 months after consignment; indubitable manufacturing defects, including those found after the 12-month period will put SPEA in a position to implement the non-compliance procedure (ref. para. 13.3).

#### 13.2 Surplus or defects of quantity

The supplier should ensure that the agreed quantity of the goods complies with the amount declared in the consignment document. If, while checking the received goods, a non-compliance with the agreed quantity is found, SPEA may choose one of the following procedures:

- accept the difference in quantity with, the faculty to correspondingly amend the quantities of any subsequent supplies;
- unless the tolerance has been agreed in writing, reject the surplus of the supply, with the right, if the supplier does not arrange for its immediate withdrawal, to return the surplus at the expense and risk of the supplier or charge fees for stocking and storage;
- see that the supplier arranges for an immediate dispatch of the missing supply, it being understood that any increase in charges or incurred expenses, due to the immediate rectification of the shortage, will be borne by the supplier.

#### 13.3 Supply compliance and guarantee

If the engineering of the item supplied is the property of:

- the supplier, the latter must guarantee that the product is free of any shortcoming and/or defect (structural defect included);
- SPEA or CUSTOMER of SPEA, the supplier must guarantee the supply free from any defect and/or fault resulting from incorrect processing and/or non-compliant with what agreed and/or with the materials used (exception is made for case described at § 7.9).

The guarantee period given by the supplier is 12 months from the delivery date.

Should a shortcoming, defect or non-compliance arise during the guarantee period, SPEA will have the faculty to:

- obtain, the withdrawal and immediate replacement of the part in question, or of the entire non-complying batch, at the supplier's expense;
- reject the parts in question or the entire batch without reinstatement, at the supplier's expense;
- request that the supplier arrange for a selection of the defective parts, at its own expense, or, giving prior notice, that this selection be made at the expense of the supplier.  
The supplier may not carry out rectification operations at SPEA's premises, by its personnel, unless expressly authorized, on each occasion, by SPEA's competent department.
- rectify, on agreement, the non-complying characteristics together with SPEA personnel, at the supplier's expense, including debiting the cost of any necessary disassembly and assembly. These operations can be carried out either at SPEA's premises, or at the premises of SPEA's customer.

- ♦ recover with SPEA personnel, at the expense of the supplier and in accordance with previous agreements, the non-conforming characteristics. The cost of any necessary disassembly and reassembly operations will be charged to the supplier. These operations can be performed both at SPEA's premises or at SPEA's Customer premises.

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13.4 Non-complying items of SPEA's intellectual property  
The supplier is obliged not to withhold defective or non-compliant parts which are of SPEA's intellectual property.  
Once the non-complying item has been detected, the remedy agreed with the supplier and its treatment performed, SPEA will directly carry out the disposal operations on behalf of and at the expense of supplier.

#### 14. Prices

##### 14.1 Firmness

If not otherwise indicated, the prices stipulated in the order are to be considered fixed and firm up to the total completion of the order itself.

##### 14.2 Price variations due to constructive modifications

Any variations due to constructive modifications must be communicated by the supplier beforehand and, in any case, will be considered valid and binding by SPEA, only if accepted by SPEA in writing beforehand.

#### 15. Delivery

##### 15.1 Risk

Except for direct collection by SPEA, the goods will travel at the risk and danger of the supplier.  
The risk will be borne by SPEA only at the moment of acceptance according to paragraph 13.

##### 15.2 Non-fulfilment of delivery terms

In the case of non-fulfilment of the delivery terms not previously agreed with (or accepted by) SPEA, including a single part of the order and for no reason whatsoever, (including SPEA's refusal to accept the goods) SPEA reserves the right to either:

- ♦ consider the whole order cancelled as of right, in which case SPEA will simply give formal notice to the supplier;
- ♦ carry out the supply elsewhere and at any time, at the risk and danger of the defaulting supplier, except for the permission to exercise their right to a full compensation of the damage.

SPEA reserves the right to refuse the delivery of products and services ahead of their binding delivery date, (see para. 15.3), unless prior to written consent.

##### 15.3 Binding or indicative delivery terms

For SPEA, the delivery terms specified in the order, be they fixed or scheduled, are to be considered binding.  
Pending receipt of a schedule, the supplier should make reference to the date specified on the purchase order.

##### 15.4 Additional expenses

Expenses arising from, for example, loading, packaging, operations by forwarding agents, or other reasons for costs, will not be acknowledged, without prior authorization.

#### 16. Protection of the materials

If not otherwise indicated in the order, the packaging and/or special protection (special to type container) of the consigned goods/materials, should be suitable for the type of transport and the type of materials, and such to allow loading and unloading operations without causing damage to the materials themselves, or natural deterioration before or after storage.  
In the same way, it should not cause harm to personnel when handling or manipulating.

The supplier should arrange for packaging or possible protection (special to type container) under its own responsibility.

All materials which are sensitive to environmental conditions (eg. electrostatic field, moisture, aging, oxidation, etc.) or contact with other items, must be properly protected and, if necessary, sealed in airtight bags or tightly packed containers.  
Appropriate signs should be added by the supplier to indicate the presence of a sensitive condition that has been protected by him.  
Protection systems which are difficult to remove or prevent easy handling, which are harmful to people or that, subsequently will require disposal costs, should be avoided.

The supplier shall affix labels bearing SPEA product code on all parts produced to Spea's specifications.  
Neither Supplier's name nor advertising shall appear on these labels.

Packaging tapes and stickers shall be anonymous and not bear the name of supplier or any form of advertising. Even the single packaging should be anonymous, without supplier advertising.  
These packaging rules have to be applied to single packages, while the whole packaging including the whole batch is not subject to these rules.

Packaging must be reduced to the limit to meet protection requirements described above and once removed, must be disposed of as separable waste packaging through alphanumeric coding taken from Decision 97/129/CE (eg. paper and cardboard, wood, metal, glass, textile).  
Contaminated packaging made of hazardous or harmful materials will not be permitted.

The supplier is required to guarantee wooden packages (e.g. pallets) compliant to phytosanitary requirements specified by the IPPC/FAO ISPM-15 standard (for Countries where it is applicable).

Should the packaging be damaged or not comply with the aforesaid, SPEA reserves the right to reject the goods, even though the products contained are intact.

#### 17. Invoicing, consignment documents and payments

##### 17.1 Invoicing

Apart from all the information requested by the law in force or binding, the invoice must always indicate SPEA's order number.

##### 17.2 Documents accompanying the goods

The materials sent or consigned should always be accompanied by a transport document or equivalent or, alternatively followed by the issue of an invoice, according to the terms established by law.

##### 17.3 Payments

SPEA will carry out payment, according to the method and due date agreed, subject to the receipt of the duly completed documents established by the order.

##### 17.4 Credit transfer

It is expressly agreed that the credit arising from the supply cannot be subject to transfer or delegation in any form.

##### 17.5 Payment held in abeyance

Where such non-compliance be evident so as to render all or a significant part unusable, SPEA will have the right to suspend payments due to the supplier at that time, until the supplier has rectified the non-compliance situation.

##### 17.6 Payment responsibilities for equipment

In the case of equipment listed in Paragraph 4, the payment is subject to SPEA's approval. The deadline for payment shall commence from that date, unless otherwise agreed.

**18. Interpretation**

In the case of doubts in the interpretation of the orders, drawings or contents of this specification, the supplier should request the necessary explanation in writing.