

## General Terms and Conditions

- 1) Unless this Purchase Order ("PO") is issued under a written procurement agreement between Supplier and IBM Italia S.p.A. (IBM), this PO and any attachments are the sole agreement between IBM and Supplier with respect to the product or service which is the subject to this PO. No other document, including the Supplier's proposal, quotation, or acknowledgment form, shall be part of this agreement, unless specifically agreed to in writing by IBM. No right that IBM has regarding this agreement may be waived or modified except by IBM in writing.
- 2) If price is not stated in this PO or a procurement agreement, the price will be Supplier's lowest prevailing market price. Supplier is responsible for and shall pay all sales, use, and similar taxes.
- 3) Unless this PO says otherwise, the terms of payment will be net 90 days after IBM receives Supplier's invoice and shall be made by bank transfer. In the event Supplier has not received payment as agreed, Supplier will notify IBM and IBM will make prompt payment. Payment of invoices will not be deemed acceptance of Deliverables or Services, but rather such Deliverables or Services will be subject to inspection, test, acceptance or rejection in accordance with the acceptance or completion criteria as specified in the relevant SOW and/or WA. Buyer or Buyer's customer may, at its option, either reject Deliverables or Services that do not comply with the acceptance or completion criteria for a refund, or require Supplier, upon Buyer's written instructions, to repair or replace such Deliverables or re-perform such Services without charge and in a timely manner.
- 4) Supplier will comply with all packaging and labelling requirements. Supplier will comply with the transportation routing guidelines in this PO. Unless otherwise specified in this PO, transportation cost and packing expenses shall be borne by Supplier. Supplier will not use premium transportation unless specifically authorized by IBM. Supplier will not include more than one daily shipment for one destination on one bill of lading.
- 5) If Supplier fails to deliver on time, IBM may cancel this PO and purchase replacements elsewhere, and Supplier will be liable for all additional costs and damages IBM incurs.
- 6) Supplier warrants that: it has the right to enter into this PO and its performance under this PO, and will comply, at its own expense, with the terms of any contract, or obligation, including any between Supplier and its end-users; or any law, regulation or ordinance to which it is becomes subject (including environmental and anti-corruption laws). Supplier warrants (I) the products and/or services do not infringe any patent, trademark, copyright or other intellectual property right of a third party; (II) none of the products contain nor are any of the products manufactured using ozone depleting substances known as halons, chlorofluorocarbons, methyl chloroform and carbon tetrachloride as defined by the Montreal Protocol; (III) material or components that contain or are made with PBB (Polybrominated Biphenyls) or PBBO (Polybrominated Biphenyl Oxide), also named PBBE (Polybrominated Biphenyl Ethers) or Asbestos shall not be used or supplied. (IV) all products provided to IBM under this PO are new and do not contain anything used or reconditioned, unless IBM agrees in writing. (V) CE marking shall be applied whenever mandatory inside the European Union. (VI) The product and/or services support the Year 2000 and are capable of correctly processing, providing, receiving, displaying, and exchanging accurate date data with all products with which the products are designed to be used within and between the twentieth and twenty-first centuries.

7) Supplier grants IBM all rights and licenses necessary for IBM and its Related Company to use and sell the products/services sold hereunder and to exercise their rights under this PO. Supplier agrees to defend, hold harmless, and indemnify IBM from any claim that Supplier's product/service infringes any intellectual property rights or any claim arising from the failure of Supplier to comply with its warranties and obligations under this PO.

If a claim of infringement is made, the Supplier shall obtain for IBM the right to continue to use and sell the Supplier's product/service or Supplier shall replace it with non-infringing product/service. Related Company definition: "Related Company of a party shall mean a corporation, company or other entity, which controls such party or is controlled by such party or by another Related Company of such party, where controls means the ownership, direct or indirect, of more than 50% of the outstanding voting shares or securities or of the ownership interests representing the right to make the decisions for such corporation, company or other entity. However, any such corporation, company or other entity shall be deemed to be a Related Company only as long as such ownership or control exists."

8) IBM may return non-conforming goods to Supplier at Supplier's expense. Payment shall not constitute an acceptance of the products/services nor impair IBM's right to inspect the products/services or invoke any of its remedies. The terms of modification of defective goods provided in Art. 1495 Civil Code shall be one year from the delivery date.

9) If IBM provides parts or tools for work under this PO, Supplier shall use them only for that purpose. Supplier shall be responsible for its own tools.

10) Supplier shall not assign its rights nor subcontract its duties without IBM's written consent.

11) All exchanges of information between the parties pursuant to this PO shall be considered non-confidential, unless the parties have entered into a separate written confidentiality agreement.

12) The Italian laws and regulations shall govern this PO. Supplier shall at all times comply with it: including but not limited to those relating Health and Safety at Work.

13) This order and any agreement arising hereunder may be terminated at any time by IBM giving Supplier reasonable advance notice in writing. A fair and reasonable price shall be paid for all work in progress or completed at the time of termination and subsequently supplied to IBM. IBM shall not be liable to make any other payment to Supplier as a result of such termination.

14) All disputes shall be referred exclusively to the Milan Courts