

**Selex ES Elektronik Turkey A.Ş. ("Selex-ES")  
Purchase Order Terms&Conditions**

**1. PURCHASE ORDER AND TERMS&CONDITIONS:**

- 1.1. These Purchase Order Terms&Conditions (T&Cs) are valid terms and conditions, in addition to the terms and conditions which have been included on the text of the Purchase Order(PO) to which they are attached. If there exists any inconsistency between the items in the text of the PO and those in this document, the items included in the text of the PO shall prevail. From now on, The PO and these T&Cs, shall collectively be called "the Order".
- 1.2. As an acknowledgement and acceptance, this Order must be signed and stamped by the authorized person of the seller within 3 (three) days after receiving the notification and faxed back to Selex-ES.
- 1.3. By confirming the Order, the Seller shall have been deemed accepted all of the T&Cs. Any of the provisions or conditions which will be changed, cancelled or added by the Seller during the confirmation of the order or the Seller's own General Sale Conditions which may be proposed by means of reference will not be valid unless they are explicitly accepted in writing by Selex-ES. Similarly, any conditions included on any documents or invoices which will be submitted by the Seller after the Order effectivity, shall not be valid either.
- 1.4. If the Seller does not confirm the Order which had been placed within validity of the Seller's offer, Selex-ES will have the right to cancel the Order and ask for compensation of all of the damage and losses which may occur, provided that any other rights in accordance with the related laws are reserved. In case any transaction (initiation of production, initiation of services, shipment, invoicing or receipt of payment, etc.) related to Order is started without confirmation, all of the T&Cs specified herein shall be deemed to be accepted by the seller.
- 1.5. The seller accepts, declares and confirms that he has adapted the ethical principles which have been provided in Selex-ES' web site ([www.selex-es.com.tr](http://www.selex-es.com.tr)) and that he will in accordance with these principles.

**2. PLACE AND TIME OF DELIVERY:**

- 2.1. Unless otherwise written anywhere in the Order the delivery term is FCA/Seller's Port (INCOTERMS 2010). (Delivery)
- 2.2. Delivery time(s) is/are as written in the PO and it is fixed unless it is changed in writing by the parties, If the delivery / performance can not be accomplished on time, provisions of Article 8 will be applied.
- 2.3. Physical delivery of the goods will not mean acceptance of them. Provisions of Article 4 are reserved.
- 2.4. Unless otherwise stated in the Order, early and/or partial deliveries is not allowed. If there are different delivery dates at the Order, that will not mean partial delivery.

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**2.5.** The Seller will be fully responsible of providing packing for the material which will protect the material against damages both during the transportation (including but not limited to loading, handling, unloading, etc.) and during storage. The Seller will be fully responsible if the material is damaged due to use of insufficient packing standards. In case special handling equipment or special storage measures are required for the material, the Seller will inform Selex-ES in writing about these special handling equipment and storage methods.

**3. TRANSFER OF RISK AND TITLE:**

The risk and title of the goods shall be transferred to Selex-ES at the Delivery. The Seller shall transfer the goods and services to Selex-ES' ownership free of any kind of legal limitations, such as attachment, sequestration, measure, and injunction.

**4. TEST, INSPECTION AND ACCEPTANCE CONDITIONS:**

**4.1.** If there is a production requirement within the Order, Selex-ES has the right to conduct planned or unplanned inspections at the Seller's production facilities. The contractor must seek Selex-ES's approval for first product (First Article Inspection-FIA).

**4.2.** If any of the technical specifications, quality requirements or production processes described in this Order needs to be altered during the production, the Seller shall inform Selex-ES and continue with production after written changes are made in the Order.

**4.3.** If there are any non-compliances during the tests to be conducted by the Seller in house, he is required to inform Selex-ES about such non-compliances, even if it has been corrected.

**4.4.** Goods and services which had been delivered/ conducted by the Seller will be inspected and tested by the Selex-ES in accordance with the specifications and requirements of this Order. The test report which will be prepared by the Selex-ES authorities will be final binding on both parties.

**4.5.** If the material and services are found to be non-compliant with the Order requirements, the Seller is responsible of making the material and services comply with the requirements or change them with those which are compliant. Provisions of Article 8 are reserved.

**4.6.** All quality documents shall be prepared and delivered to Selex-ES for each and every part of purchased items in accordance with the Purchase Order of Selex-ES.

**5. PRICE :**

**5.1.** Prices of goods and services in the Order are firm and fixed. Unless it is agreed in writing by the parties, price difference will not be granted. If it is not expressly written in the Order, invoicing of packing, insurance, transportation and any other expenses will not be accepted.

**5.2.** The Seller will be responsible of all of taxes, expenses, levies and charges for the fulfillment of commitments of this Order and they are included in the

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price of the purchase order.

**6. INVOICE AND PAYMENT:**

- 6.1. The invoice will be issued in the same currency as the purchase order. Invoices for material will be issued on the date of the delivery of the goods and invoices for services will be issued after the services are performed. In any case, Selex ES will not be responsible of making any payment until the conditions of article 4 are fulfilled.
- 6.2. Purchase order numbers must be written on the invoices.
- 6.3. Invoices related to goods and services which have been accepted are paid within the term which is specified on the text of the Order to the bank account written on the invoice. Any expense that might incur at the Seller's bank related to the payment will be the Seller's responsibility.
- 6.4. If there is no consensus related to early and /or partial delivery /performance, partial payment will not be made, even if partial delivery has been made. One single payment will be made after the acceptance o all of the material or services.
- 6.5. If the Seller will be responsible of making any payment to Selex-ES, within the context of this Order, the same amount will be deducted from the upcoming payment(s) within this Order. If this is not possible, deductions will be made from the payments of other Purchase Orders or contracts (if any) between Selex-ES and the Seller.

**7. FORCE MAJEURE CONDITIONS:**

- 7.1. Force Majeure Conditions are the following events; (i) acts of God, (ii) general epidemics, (iii) state of total war, (iv) lawful strike, (v) government restrictions and embargoes,
- 7.2. Above events will be considered as Force Majeure Conditions only if; (i) they happen after the Order effectivity, (ii) they are beyond Seller's reasonable control, (iii) they prevent fulfillment of commitments of the Seller.
- 7.3. If a force majeure event happens, the Seller should immediately inform Selex-ES in writing about the context and effects of the force majeure condition and send the official supporting documents to Selex-ES within 7 (seven) days after the occurrence of the force majeure condition. Supporting documents should be approved by local authorities.
- 7.4. The Seller will not be entitled to any additional rights, price increase, price difference or any compensations because of the force majeure conditions, other than time extension which will be granted by Selex-ES.
- 7.5. If the delivery period of the material is delayed more than 1/3 of the total delivery period due to force majeure conditions, Selex-ES will have the right to terminate the Purchase Order unilaterally, with a written notice. During such a condition, provisions of Article 9.2 will apply.

**8. LIQUDATED DAMAGES:**

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- 8.1. If the Seller can not fulfill his obligations in whole or partially, arising from this Purchase Order, a delay penalty equal to 0.5 % (five thousandth) of the delayed material or service shall be applied for each day of delay.
- 8.2. The delay penalty is not a remedy to compensate Selex-ES' losses. Selex-ES reserves the right to seek legal solutions in relation to its losses.
- 8.3. The upper limit of delay penalty is 50 % (fifty percent) of this Purchase Order.
- 8.4. The delay penalties will be deducted from due payments in accordance with the provisions of article 6.5. If this is not possible, the related amount will be paid to Selex-ES, within 5 (five) working days following receipt of the notice.
- 8.5. If the delay exceeds 1/3 of the Delivery period, Selex-ES reserves the right to apply the provisions of Article 9.1.

**9. TERMINATION:**

- 9.1. Termination For Default: If the Seller is unable to fulfill his obligations arising from this Purchase Order at the end of penalty period (s), or if the delivered material have been rejected 2 (two) times for the same reason, or in case of the Seller's bankruptcy or his liquidation has been decided or if the Contractor transfers his company goods in favor of his creditors or if the Contractor acts inconsistent with the ethical principles which have been provided in Article 1.5, if the Contractor transfers the Contract to third persons, without getting written approval from Selex-ES or if he breaches the provisions related to confidentiality of information in accordance with the provisions of Article 17, or if the Contractor transfers the Contract to third persons in accordance with the provisions of Article 15, without getting written approval from Selex-ES. In such situations, Selex-ES will at once terminate a part or all of the Purchase order by giving a written notice to the Seller and without any need to grant a grace period. In such a situation, Selex-ES will have no financial or legal obligations towards the Seller. If the Purchase Order is partially terminated, the Seller's not terminated responsibilities will continue. In case of termination for default, Selex-ES' every right to ask for compensation of its losses are reserved.
- 9.2. Termination for Good Cause: In case Selex-ES no more requires the material or services which are contained in an order, it has the right to terminate the purchase order as a whole or partially by means of sending a written notice, without any requirement to provide a rationale. The payments related to the parts of the material or services which had been completed prior to receipt of the notice by the Seller will be done according to order prices, following final acceptance tests. If the purchase Order has been partially terminated, the Seller's untermiated obligations will continue.

**10. WARRANTY:**

- 10.1. Unless otherwise written in the Purchase Order text, all of material /services guaranteed under normal operating condition, against every type

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of material, workmanship, installation, design and installation for a period of 24 (twenty four) months, by the Seller.

**10.2.** All of raw materials and supplies which will be used for the manufacturing of supplies within the context of this purchase order will be "New". In relation to this Article, "New" will mean; that the material have not been used, they have not been repaired and that they have not been subjected to comprehensive maintenance.

**10.3.** Within the warranty period the Seller will be fully responsible of elimination all of the faults. The Seller will be responsible of paying all of the expenses related changing of faulty material /services with new ones, reoperations of the faulty material, together with picking up of the faulty material from Selex-ES' and /or the customer's facility and transfer them to the Seller's facility, transfer of the corrected or new material from the Seller's facility to Selex-ES' and /or the customer's facility, in addition all of the insurance expenses throughout these processes.

**10.4.** The Seller accepts and confirms to inform Selex-ES at least 1 (one) year in advance, if the products or the material which will be used for manufacturing of the products within the context of this purchase order will become obsolete.

**10.5.** If the Seller does not fulfill his obligations arising from this article 10, Selex-ES reserves his rights to apply the provisions of Article 8 and Article 9.1 according to the prices of the material and /or services and it will either correct the faulty material or have it done by third parties.

**11. QUALITY:**

Quality requirements of the Material and Services are as specified in the Purchase Order text.

**12. SETTLEMENT OF DISPUTES AND THE APPLICABLE LAW:**

Any disputes arising from the application of this Purchase Order will be resolved with negotiations to be held in good will. Ankara courts and the Bailiffs Offices will be authorized to resolve any dispute which cannot be resolved within a reasonable time period in good will and T.R. laws will be applied. The Seller will continue to fulfill his contractual obligation with its previous context, until the disputes are resolved.

**13. INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS:**

**13.1.** In relation to purchase orders in which prices include design, new development, new manufacturing, and new adaptation expenses, material and services within the context of the purchase order, every type of intellectual and industrial property rights of Technical Documentation Packages, every type of software, documents and information, the parts which have been newly designed, manufactured and adapted will belong to Selex-ES.

**13.2.** Documents, equipment, apparatus, molds, etc. sub material, software and /or samples which are delivered to the Seller by Selex-ES'

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will be the property of Selex-ES and their employment for purposes other than the Purchase Order, their transfer to third parties or their reproduction copying them are subject to Selex-ES' written permission. The seller will be fully responsible of every type of damage or losses or risks of damage to Selex-ES goods. In addition, the Seller will also be responsible of damages which may be caused by legal limitations such as placing of receivership, sequestration, injunction measures until they are returned back to Selex-ES.

**13.3.** The Seller accepts, declares and confirms that he will not and he has not breached any intellectual and industrial property rights belonging to third parties in order to deliver /execute the material /services which are the subject of this Purchase Order.

**14. RESPONSIBILITIES:**

**14.1.** If the Seller is required to conduct installation, dismantling, repair, maintenance, repair, paint, cleaning, etc. activities at Selex-ES facilities within the context of this Purchase Order, as an employee, the Seller will be responsible of complying with all types of legal legislature and take all of the measures in relation to work and worker safety and in addition, comply to all of Selex-ES' warnings and principles in relation facility safety.

**14.2.** In addition execution of the above mentioned services, the Seller will also be responsible of every type of damages and losses which may be inflicted on the Selex-ES employers and their goods by third parties which may be caused by defective design, manufacturing, bad workmanship, and material, neglect, and because of bad intent.

**15. ASSIGNMENT AND DELEGATION:**

**15.1.** The Seller may not assign partially or in whole to third parties his commitments under this Purchase Order, unless there is Selex-ES' written approval. Similarly, he may not delegate his rights and benefits arising from this Purchase Order to third parties unless there is Selex-ES' written approval.

**15.2.** If the Seller makes any assignments or delegations without receiving Selex-ES' written approval, Selex-ES will have the right to terminate the Purchase Order in accordance with the provisions of Article 9.1.

**16. WAIVER:**

If Selex-ES does not use any one of its rights arising from this Purchase Order, it will not mean that he has waived his rights related to that article or other articles.

**17. CONFIDENTIALITY:**

The information, documents, specifications, drawings, etc. which the Seller will get hold of or produce in relation to this Purchase Order, will only be used on need to know basis and these will not be delivered or disclosed to third parties or organizations which are not directly related to the Purchase Order, unless Selex-ES grants written permission. In addition, None of the secret documents

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will be reproduced or allowed to be reproduced without receiving Selex-ES' written permission. If the provisions of this article are violated by the Seller or his employees, Selex-ES' right to terminate the Purchase Order and other legal rights in accordance with the provisions of Article 9.1 will be reserved.

**18. ENFORCEMENT AND VALIDITY:**

**18.1.** This Purchase order will become valid after it is confirmed in writing by the Seller in accordance with Article 1.2 and it will stay enforceable until the Seller fulfills all of his obligations under the Purchase Order.

**18.2.** None of the changes to this purchase Order will be valid, unless it is in writing and approved by the authorities of the parties.

**18.3.** This Purchase order overrides and replaces all of the written and/or oral communication, proposals, confirmations and agreement which may have been done between Selex-ES and the Seller.