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STAFF MANUAL FOR BSC EMPLOYEES

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ITALIAN SPACE AGENCY (A.S.I.)

with

VITROCISET SPA - KENYA

(hereinafter referred to as the "COMPANY/EMPLOYER")

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YEARS 2018 - 2020

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PREAMBLE:

The Italian Space Agency was appointed by the Italian Government to manage The San Marco Project activities (hereinafter referred to as "the Project") based on the Luigi Broglio Space Centre in Malindi as per the Agreement between the Kenyan and the Italian Government.

At present, Vitrociset SpA Kenya is the employer of the majority of employees on behalf of ASI, which remains, however, the guarantor of all labor relations, as the only interface with the Government of Kenya. All employees of the San Marco Project –BSC in Malindi at the end of the term of the contract between ASI and Vitrociset SpA Kenya will come back again, without interruption, as set forth in individual letters of employment of the employees themselves.

This "Staff Manual – Years 2018 - 2020" has been approved by the Board of Directors of ASI and it will be finally adopted becoming valid for the period from 01/01/2018 to 31/12/2020.

This Staff Manual shall be used as the basis for the terms and conditions of employment for non-unionisable staff.

1. APPLICATION:

This Manual shall apply to all the managerial and executive staff of the Company according to the ASI policies.

2. INTEPRETATION:

All clauses, paragraphs, appendixes and parts, as contained in this manual, shall be taken to mean as they read.

3. MODALITIES OF RECRUITMENT

- a) The employment of all the new appointed personnel, as per art. 4, will take place according to the internal ASI/BSC exigencies and, as a rule, it will be conducted through national and/or local selections where the requirements and the position/level to be fulfilled will be specified, according to the herewith attached Appendix;
- b) The existing BSC/ASI employees can participate to the selections as per the above subsection 3.a) and, in case found themselves winners, they will be put at the required level with a 50% reduction of their previous years of service (with respect to the computation of years of service).

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4. BASIC MINIMUM MONTHLY RATE (EXCLUSIVE OF HOUSING ALLOWANCE) APPLICABLE TO NEW ENTRY EMPLOYEES

- a) The basic minimum salary to be paid to an employee is the one specified in relation to the employee's category in the hereinafter attached Appendix.
- b) Any employee taken by the Organization to another area shall not be paid a salary lower than that one applicable to his category.

5. HOUSING ALLOWANCE

Employees who are not provided with reasonable free housing accommodation by the organization shall be entitled to a housing allowance at a rate of 20% of their basic salary in addition to their salary.

NOTE:

For the purpose of calculating housing allowance for those employees who are employed for a period of less than one month, daily rate of housing allowance shall be deemed to be the employee's monthly salary divided by 30 and then multiplied by 20%.

6. HOURS OF WORK:

- a) The normal working week shall consist of forty-five (45) hours of work at the rate of eight hours of work per day from Monday to Friday inclusive and five hours on Saturday, or nine hours per day spread over 5 working days of the week from Monday to Friday. Should operation necessitate any work on Saturday, this shall be considered as a working day. Provided that in the event of inclement weather conditions, the employer may prevent or stop any employee from working for any time during the normal hours of work per day and the employee shall, if he has reported for duty and remains available for work during such time be deemed to have worked for one-half of such time at his normal rate of salary per day, except that nothing in this paragraph shall be construed so as to prevent an employee from reporting for duty each morning.
- b) For the purpose of subparagraph (a), any employer who prevents or stops his employees from reporting for work for any period of time due to inclement weather, conditions shall treat such employees as having reported for duty and pay them as stipulated in that subparagraph.
- c) Except as provided in subparagraph (b) and without prejudice to any contract of service being terminable by either party no contract of service shall be for less than the normal hours of work per week or in the case of an employee engaged after the start of the week, for less

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than the normal hours of work per day on each of the remaining days of the week, and any employee who is forced by his employer to work less than normal hours of work per day shall be paid at a rate not less than the employee's daily rate salary.

- d) An employee who is stopped from working by his employer for any period of time for any reason other than termination of employment, dismissal or inclement weather conditions, shall be entitled to his full rate of salary per hour or per day, as the case may be.
- e) Whatever contingency of duty may require an employee to put in extra hours a applicable.

7. OVERTIME:

Should an employee be compelled to work overtime, any overtime hour shall be compensated in respect of work that will have been justified and authorized by an appropriate officer.

8. SHIFT:

Should an employee be required to work on a 24 hours shift, he will be entitled to a flat fixed amount of KShs 1,500/= from Monday to Saturday and KShs 1,700/= for Sundays and Public Holidays.

9. SPECIAL RESPONSABILITY ALLOWANCE

In case the ASI management should recognize a special responsibility linked to the role performed by any employee, which goes beyond the duties foreseen for the profile/levels tables of this manual, a special responsibility allowance will be applied according to what stated in Appendix 1.

10. SPECIAL SKILLS ALLOWANCE:

In case the ASI management should recognize among the employees belonging to the top level of each category a special value in terms of the subsequent skills: autonomy, leadership capability, professional competences, result orientation, problem solving orientation, a special skills allowance of Kshs/= 1,000 monthly will be applied.

11. "ON CALL" ALLOWANCE:

Should an employee be called and required to work on a non-working day and/or during his off period, an "on call" allowance shall be paid worth a flat amount of KShs 500/=.



12. NIGHT WORK ALLOWANCE:

Where an employee (other than a night watchman) is required to work on a night shift he/she shall be paid an allowance worth the 29 % of his basic salary daily rate.

13. HOLIDAYS WITH FULL PAY:

The following days and all gazetted public holidays shall be with full pay:

- 1. New year's day (1st of January)
- 3. Easter Monday
- 5. Madaraka day (1st of June)
- 7. Idd-Ul-Fitr day
- 9. Christmas day (25th of December)
- 2. Good Friday
- 4. Labour day (1st of May)
- 6. Heroes day (20th October Mashujaa)
- 8. Independence day (12th of December)
- 10. Boxing day (26th of December)

And any other holiday declared by the Government.

14. WORKMEN'S COMPENSATION - SAFETY AND HEALTH - GROUP PERSONAL ACCIDENT INSURANCE:

- An employee injured while performing Organization's business shall be treated and paid
 as specified in the "Work Injury Benefit Act, 2007" (WIBA) as amended from time to time.
 While the assessment is being processed and calculated by the insurance company, the
 injured person shall continue to receive his wages in full as per the law.
- 2. The Organization will make every reasonable effort to provide safe and healthful conditions of work for employees at all job sites and workshops and will provide employees with any necessary protective equipment, tool and such equipment issued to the employees must be returned to the employer anytime they are required.
- The Organization shall ensure that there are properly cleaned and maintained toilets for employees at all job sites and workshops.
- 4. The Organization shall ensure that all employees are insured against any work related accident.
- 5. The employer shall take out a Group Personal Accident policy for each and every employee.
 - The above mentioned policy shall provide compensation for death, permanent/total disability, temporary disability and medical, surgical and hospital expenses incurred in connection with an accident.

In case of an accident, the employee shall be obliged to promptly inform the Human Resource Department and produce as soon as possible appropriate documents for the onward transmission to the insurance company.

15. SICK LEAVE

When an employee is absent from work due to illness or other physical incapacity, he/she shall be paid by the organization at his/her normal rate of wages provided that:

- a) Employees shall not be entitled to such payment unless they produce to the Organization a certificate of incapacity covering the period of absence singed by a qualified medical practitioner or by a person authorized by him in writing and acting on his behalf in charge of a dispensary or medical aid center.
- b) When an employee who is in receipt of a housing allowance in accordance with article 4 of this agreement is absent from work due to illness or any other physical incapacity, the organization shall continue to pay him/her the housing allowance in full.
- c) For the purpose of payment for sick leave, an employee shall only be entitled to sick leave for a period of 90 days with full pay and 90 days with half pay during any period of one calendar year.

16. MATERNITY LEAVE:

- 1. A woman employee shall be entitled to three months maternity leave with full pay.
- 2. A female employee who takes maternity leave shall not incur any loss of privileges during such period including her annual leave.
- 3. A male employee shall be entitled to two continuous weeks paternity leave with full pay in each period of 12 months.

17. MEDICAL:

- An employee who falls sick and requires medical treatment shall be entitled to reimbursement of expenses incurred in respect of such medical treatment up to KShs45,000/= in a period of 12 months on production of receipts issued by registered medical practitioner.
- 2. No employee shall suffer dismissal or any other discriminatory tendencies on account of being HIV positive.
- 3. All employees shall be eligible to comprehensive medical cover.

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18. TERMINATION OF EMPLOYMENT:

- 1. The first weeks of employment with the employer may be treated as a probationary period and during such period the contract may be terminated by not less than one week notice to be given by either party or one week in lieu of notice, such notice to expire at the end of the normal hours of work on any day, provided that:
 - a) In the case of an employee who has completed two weeks but less than two months of continuous service with the employer, the employment shall be terminable by not less than fifteen days' notice in writing to be given by either party or otherwise by the payments by either party in lieu of notice of not less than fifteen days month's wages.
 - b) In case of an employee who has completed two months but less than three years of continuous service with an employer, the contract shall be terminable by not less than one month's notice in writing to be given by either party or otherwise by the payment by either party in lieu of notice of not less than one month's wages.
 - c) In the case of an employee who has completed three years of service with an employer, the contract shall be terminable by not less than two months' notice in writing to be given by either party or otherwise by the payment by either party in lieu of notice of not less than two month's wages.
 - d) In the case of an employee's service being terminated at the initiative of the employer after completion of two years of continuous service, such employee shall be entitled to payment at the rate of thirty (30) days salary for every completed year of service by way of gratuity to be based on the employee's wages at the time of termination of his service.
- 2. Nothing in this article shall prejudice the right of either party to terminate a contract summarily for any lawful cause.
- 3. In case of termination, the employee shall be entitled to one way travelling allowance to his/her home area. The allowance will have a minimum of value of KShs 3,600/= and a capping at KShs 7,000/= according to the distance between the place of work and his/her home area.

19. PROTECTIVE CLOTHING:

The employer shall provide protective clothing, uniform and other necessary equipment to his employees, where required, and such protective clothing and uniform shall be maintained and cleaned by the employer who may opt to provide a bar of washing soap or its equivalent in a month to each employee using such protective clothing and uniform. Provide that the above items shall be replaced as and when the issues are inadequate for the purpose for which they were intended.



20. SAFARI ALLOWANCE:

- 1. An employee who is required to perform work away from his principal area of employment shall be entitled to be paid subsistence and accommodation allowance as follows:
 - a) Meals allowance when an employee goes on a Safari for a day without overnight stay KShs 1,250/=;
 - b) For an overnight stop in Nairobi, Mombasa and Kisumu and employee shall be entitled to accommodation allowance of Kshs 2,500/=;
 - c) For an overnight stop when the employer provides accommodation, the rate will be equivalent to a total amount of Kshs 1,250/= as above and as they may be applicable.
- 2. The subsistence and accommodation allowance payable under sub paragraph (1) of this article shall cease to be payable to an employee after thirty consecutive days of absence on duty from his principal area of employment and thereafter additional accommodation and subsistence allowance shall be considered by the employer.
- 3. Traveling outside the country will be separately addressed through a Management Communication.

21. REDUNDANCY:

- 1. It shall be a condition of every contract that, where the employment of an employee is to be terminated on account of redundancy the following principals shall apply:
 - a) The Union of which the employee is a member shall be engaged in discussion of the reason for and the extent of the intended redundancy at least seven days prior of the issue of notice;
 - b) The employer shall have due regard to the seniority in time, ability and reliability of each employee belonging to the particular category of employees affected by the redundancy;
 - c) Any leave due to any employee who is declared redundant shall be paid for in cash;
 - d) An employee declared redundant shall be entitled to severance pay at the rate of twentysix days of pay (26) for each completed year of service;
 - e) Any redundant employee with less than four years continuous service with any employer shall be entitled to one month's notice in writing or one month's wage in lieu of notice;
 - f) An employee with four or more years of continuous service shall be entitled to two months' notice in writing or to the wage of a two months' in lieu of notice;
 - g) An employee declared redundant shall be entitled to one way travelling allowance to his/her home area. The allowance will have a minimum of value of KShs 3,600/= and a

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capping at KShs 7,000/= according to the distance between the place of work and his/her home area.

- 2. For the purpose of this article:
 - a) "redundancy" shall mean the termination of employment by an employer before work is completed on the section of which an employee was engaged;
 - b) Loss of employment caused by closure or sale of an undertaking or part of the undertaking or any other cause through no fault of the employee shall be deemed to be redundancy.

22. SERVICE GRATUITY/RETIREMENT BENEFITS

- 1. On completion of four years' service with an employer, an employee shall be entitled to twenty six (26) days' pay for every completed year of service by way of gratuity to be based on employee's wages at the time of termination of his/her service.
- 2. An employee who resigns or on account of certified illness or old age or is terminated, shall be entitled to gratuity provided that:
 - a) In the event of any dispute as regards resignation on medical grounds the verdict of a qualified medical practitioner shall prevail;
 - b) Summary dismissal due to lawful cause shall not qualify for payment under this clause;
 - c) The normal retirement age shall be 60 years provided that the employee has the option of retiring at the age of 55 years;
 - d) End of contractual employment, an employee shall qualify for payment under this clause;
 - e) On retirement the employee shall be paid one way traveling allowance to his/her home area. The allowance will have a minimum value of KShs 4,000/=and a capping at KShs11,500/= according to the distance between the place of work and his/her home area.
- 3. In case of death of an employee the retirement benefits provided under this article shall be paid by the employer to the lawful heirs of the deceased. In absence of recorded next of kin, the benefits shall be paid to the area Local Government Administrators lawfully mandated.
- 4. The employment shall be terminated by giving a written notice not less than two months in advance to either party or otherwise by paying to either party not less than two months or wage in lieu of notice.



23. WARNING SYSTEM:

- An employee whose work or conduct is unsatisfactory or commits a default which does not warrant summary dismissal shall be warned in writing and the following procedure shall apply:
 - a) The first, second and third warnings shall be entered in the employee's employment record;
 - b) If within the period of twelve months referred to in above article, the employee commits a further default which does not warrant instant dismissal for any other default, a final warning.
- 2. If the employee completes twelve months from the date of the issue of the first, second, third and final warning without committing a further default, any warning entered in his/her employment records shall be cancelled and cease to be valid.

24.1 ANNUAL LEAVE

- 1. After each period of 12 months of consecutive service with an employer, an employee shall be entitled to annual leave for a period covering 29 working days with full pay and such leave may be taken at any time during the ensuing 12 months.
- Where employment is terminated before the completion of any twelve (12) months annual-earning leave period, the employee shall be entitled to two and a half days of leave with full pay for each month of service completed since the start of such leave earning period.
- 3. Any pro-rata leave earned within a period of twelve months at the time of termination of service shall be paid in cash.
- 4. For the purpose of this article, Saturdays shall be regarded as any other working day.

24.2 LEAVE TRAVELLING ALLOWANCE

An employee who is taking annual leave shall be paid travelling allowance of KShs 8,100/=.

25 COMPASIONATE LEAVE:

If an employee wishes to avail himself/herself of compassionate leave days, he/she shall be granted up to 10 days a year. Subsequently, additional periods may be offset against his/her annual leave.



26 RELIGIOUS HOLIDAYS:

An employee deciding to take time off for religious purposes may be granted such time off without pay, or alternatively, such employees shall have the option of having the number of days taken for religious purposes set off against his annual leave entitlement.

NOTE:

For the purpose of this clause, an employee shall be deemed to be a member of one religion only.

27 ACTING ALLOWANCE:

Where an employee is required to work in a full acting capacity for a period not less than one month in an occupation or grade for which the minimum wage prescribed in this agreement is higher than the minimum wage normally earned by an employee, he/she shall be paid acting allowance at a rate not less than the difference between such higher rate and his/her normal wage rate.

28 CERTIFICATE OF SERVICE:

Every employee shall be given certificate of service by the Organization upon termination of his/her employment unless such employment has continued for a period of not less than four consecutive weeks. Every certificate of service shall contain:

- a) Name of the employer and his postal address
- b) Name of the employee
- c) Date when the employment commenced
- d) Nature and usual place of employment
- e) Date when the employment ceased
- f) Any other particular may be prescribed

29 LETTER OF APPOINTMENT:

Each employee shall be issued with a letter of appointment by the Organization. Such letter shall indicate the following:

- a) Name and address of the employer
- b) Name of the employee
- c) Date of engagement
- d) Nature of work occupation.

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30 PAYMENT OF WAGES:

- Payment of wages shall be made on a working day during working hours and at the place of employment.
- 2. The method or mode of payment of wages shall in no way prejudice the right of an employee to enjoy any or all the fringe benefits stipulated in this Agreement, for this purpose and no matter how an employee is employed or paid, such an employee shall be entitled to all benefits earned by him.
- 3. Where an employer pay wages outside working hours, the time spent in paying wages shall be regarded and paid for as overtime in accordance with overtime clause of this Agreement.

31 ABSENCE FROM DUTY:

No employee shall suffer dismissal termination of employment on grounds of absence from duty that such absence does not exceed seven (7) continuous working days and provided further that the employee has sufficient and convincing reasons for the absence and no payment shall be due to the employee during the period of such absence.

32 FUNERAL/BURIAL ASSISTANCE (DEATH IN SERVICE):

- a) In case of death of an employee, the employer shall assist towards funeral/burial expenses by way of payment of KShs 50,000/= and reimbursement of coffin, treatment of body on submission of receipts.
- b) Provide transport of the body to the place of burial.
- c) Nothing in this clause shall prevent an employer from offering any further assistance, other materials or monetary form.

33 MINIMUM WAGES INCREASE AND MAINTAINING OF THE PORTION OF INDIVIDUAL WAGE HIGHER THAN THE MINIMUM WAGE FOR EXISTING EMPLOYEE:

For the existing employees already employed at ASI – San Marco Project Malindi, wages will be increased according to the relevant position as per Appendix 2.

34 DURATION AND EFFECTIVE DATE OF THIS AGREEMENT:

This Manual shall be effective from 01/01/20168 and shall remain in force for a period of 36 months from the effective date.

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Thereafter this Manual shall remain in force until the adoption of a new Staff Manual for the successive period.

35 GRADINGS:

- a) All employees of the Organization shall be paid salaries/wages commensurate and not less than their academic, professional qualifications recognized by the employer at the time of employment for a job requiring those specific qualification;
- b) Merit and experience shall also be considered alongside academic qualifications;
- c) Payment of salaries and wages shall be based on job of equal value for equal pay.
- d) Any career advancement will be considered at the discretion of the management upon available openings.

36 JOB EVALUATION:

The parties will carry out job evaluation exercise jointly during the life of this agreement.



APPENDIX 1

SPECIAL RESPONSIBILITY ALLOWANCE

CRITERIA FOR APPLICATION

1 PREAMBLE

Art. 8 of the STAFF Manual, In order to better implement what stated in the Art. 8 of the Staff Manual, concerning the Special responsibility Allowance for ASI - BSC employees, hereinafter a Scale-Table of criteria is described.

2 RESPONSIBILITY ALLOWANCE LEVELS

- 2.1 <u>Kshs 3,000</u>: Basic level of responsibility for those employees who are invested of small extra duties, needed for the best functioning of the Base Camp organization and which are to be performed with particular attention, meticulousness and awareness.
- 2.2 Kshs 5,000: A wider level of responsibility for those employees, generally in the STAFF and Administrative positions, who are required to perform their dues with particular respect for privacy, reliability and confidentiality. The load of the activities required is often heavier than the one required by the contract. Availability to extra hours and activities is required. Trustfulness and responsibility is required if supporting the management with knowledge of Kenya laws and regulation. Eventually new and not foreseen duties can be required, always within the field of Executive and Administration.
- 2.3 <u>Kshs 7,000</u>: A considerable level of responsibility for those employees to whom is required to perform extra and different activities in addition to the ones prescribed in the individual contracts. The added value can be recognised in a given result to be reached (an extra and new task to accomplish) and/or considering the quality of the extra activity performed.
- 2.4 Kshs 9,000: a high level of responsibility for those employees who lead a group of people or/and perform activities coordinating and managing it in an almost total autonomy, giving added value and proposals to the development of the of them. They represent ASI outside and during workshop or international meetings being responsible of the image and position of the Agency. Respond personally or together with the Agency in case of legal responsibility (liability) if prescribed by law.
- 2.5 <u>Kshs 10.000</u>: legally recognized responsibility (liability) conferred by Kenya Laws, unique and personal and not borne by the Agency at all.

The application and the assignation of the above responsibility allowances is given with a written order (except for the n. 5 which is legally prescribed) to those employees who reflect, in the performing of their functions, what stated in the criteria, as long as those functions and peculiar activities last.

If and when their functions/role should change, the responsibility allowance ceases to be given.

Individual written orders will be communicated separately.

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APPENDIX 2

	SPECIALIST					
Level	Profiles	Basic Salary Year 2017	Basic Salary Year 2018 (Increment 6,5%)	Basic Salary Year 2019 (Increment 6%)	Basic Salary Year 2020 (Increment 6%)	
1	Post Secondary school Diploma, and adequate curriculum and / or experience over 12 years	90,731	96,629	102,426	108,572	
2	Post Secondary school Diploma, and adequate curriculum and/or experience from 10 to 12 years	70,065	74,619	79,096	83,842	
3	Certification related to the technical and scientific activities and/or experience from 6 to 9 years	54,389	57,924	61,400	65,084	
4	Experience (minimum 3-5 years) in managing technical plants, electrical and mechanical machines	45,873	48,855	51,786	54,893	
5	General workers foreman experience (minimum 3-5 years) or assistant foreman to other levels	34,488	36,730	38,934	41,270	



	RESEARCHER & GRADUATE					
Level	Profiles	Basic Salary Year 2017	Basic Salary Year 2018 (Increment 6,5%)	Basic Salary Year 2019 (Increment 6%)	Basic Salary Year 2020 (Increment 6%)	
1	Phd and/or high level curriculum and/or over 12 years of experience	103,536	110,266	116,882	123,895	
2	Graduate with adequate curriculum and/or experience from 10 to 12 years	92,103	98,090	103,975	110,214	
3	Graduate with adequate curriculum and/ or experience from 7 to 9 years	77,877	82,939	87,915	93,190	
4	Graduate with experience from 4 to 6 years	63,351	67,469	71,517	75,808	
5	Young graduate (experience up to 3 years)	51,918	55,293	58,610	62,127	



	ADMINISTRATION STAFF EMPLOYEES					
Level	Profiles	Basic Salary Year 2017	Basic Salary Year 2018 (Increment 6,5%)	Basic Salary Year 2019 (Increment 6%)	Basic Salary Year 2020 (Increment 6%)	
1	Post secondary school Diploma, minimum 9 years of experience	67,443	71,827	76,136	80,705	
2	Certification related to the activities and experience from 4 to 8 years	51,918	55,293	58,610	62,127	
3	Certification and/or experience up to 3 years	36,292	38,651	40,970	43,428	

SECURITY STAFF					
Level	Profiles	Basic Salary Year 2017	Basic Salary Year 2018 (Increment 6,5%)	Basic Salary Year 2019 (Increment 6%)	Basic Salary Year 2020 (Increment 6%)
1	Security Chief	56,860	60,556	64,189	68,041
2	Deputy of security Chief	44,056	46,920	49,735	52,719
3	Sergeant	33,621	35,806	37,955	40,232
4	Corporal	25,959	27,646	29,305	31,063

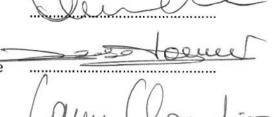


Signed for ITALIAN SPACE AGENCY (ASI)

Anna SIRICA - ASI General Director

Francesco DOMINICI - ASI Head of BSC Office

Claudio CANU - ASI BSC Manager on duty



Signed for VICTROCISET SPA - Branch of KENYA

Flavio CAMPELLO - VITROCISET Head of H.R. Dept.

Marco da SOIS - VITROCISET KENYA Service Manager

SIGNED AT NGOMENI, BROGLIO SPACE CENTRE THIS DAY 13th March 2019