



Contract Governing the Use of the Carraro Private Network



Contract governing the use of the Carraro Private Network between **Carraro Spa** with registered office in Campodarsego (PD), VAT Registration No. 00202040283 (hereinafter “Carraro”), and

_____ with registered office in

Tax Code and VAT Registration No. _____

represented by its lawful representative _____

(hereinafter “the User”).

Whereas:

- a) **Carraro** is a company that designs, manufactures and sells transmission systems for farm tractors, earth-moving equipment and material handling equipment and operates through companies which it controls directly or indirectly (hereinafter “Carraro Group Companies”).
- b) **Carraro** has collaborated with two leading companies in the IT sector (hereinafter “Support Companies”) to produce a web-based application known as Carraro Private Network (hereinafter “CPN”) which is designed to manage online the transactions necessary to bring together the supply of products from the various suppliers and the demand for Carraro products on the terms and conditions set forth below in this Contract.
- c) **Carraro** retains exclusive ownership of the CPN, and has already entered into a specific contract with the Support Companies covering the development and maintenance of the application to guarantee the continuity of the service and the updating of the application to keep pace with future technological developments.
- d) **Carraro’s** intention is to promote and encourage a gradual transition of the management of transactions with its own suppliers and the suppliers of the Carraro Group Companies to the CPN, to use the CPN to develop a supply chain management system with its own suppliers and the suppliers of the Carraro Group Companies and, in particular, to render all the services provided by the CPN to its own suppliers who enter into this Contract governing its use (hereinafter “the User”).
- e) The **User**, having the capability and the possibility of participating and effecting online transactions, has expressed the wish to avail itself of the CPN and therefore to request its own registration and activation in the CPN to enable it to effect online transactions and benefit from the services offered by the latter.

Now therefore, the parties stipulate and agree as follows:

1. Subject matter - Services provided

The object of this Contract is to enable Carraro to effect, e.g. with the aid of the technology, software packages and media supplied by the Support Companies, all the services and the transactions necessary to allow the User, who accepts, to register with and use the CPN.

The User will benefit from the following services through the CPN:

1. **Receipt of quotation requests:** allows the User to receive all enquiries from Carraro Group Companies, complete with all relevant information.
2. **Management and communication of quotations:** enables the User to prepare and communicate quotations on the basis of a partly completed document.

3. **Receipt and acknowledgement of orders:** enables the User to receive orders which it can, as appropriate: accept, accept in part (where provided) or reject. For the orders partially accepted by the User, Carraro and/or the Carraro Group Companies reserve the right to issue a formal acceptance or refusal through the CPN or otherwise in an electronic or paper form.
4. **Receipt and acknowledgement of orders by automatic programming:** allows the User to receive orders for production materials in html format, which is suitable for converting into files of a different format; as part of this service the User will be able to activate the “Automated Order Acceptance” function which makes it possible to acknowledge or report exceptions on orders.
5. **Management of price lists:** for any products supplied which may be identified by a code number specified by Carraro and/or the Carraro Group Companies or the User. This service makes it possible to formally record price lists as well as all the agreed terms of payment and supply; if Carraro and/or the Carraro Group Companies and the User agree on the supply of a new product, such product will be allocated a code for the formal registration thereof. The “Price list variation” function accesses the agreed and recorded terms so that these parameters can be changed to take account of any subsequent negotiations; this service also allows the User to make use of a historical archive of the products supplied.
6. **Quality Indicators:** the main indicators by which Carraro and/or the Carraro Group Companies assesses the products supplied by the supplier (in this case the User) and therefore the latter’s overall quality standard will be made available.
7. **Accessory functionalities:** the CPN exploits the potential of the Internet in a closed system: besides its high level of interactivity and online mode, it offers the possibility of having a process management system with full traceability. Moreover, each time either party effects any kind of transaction (relating to points 1 – 5 above) the system sends the recipient a notification, which enables the CPN operators to be kept continuously and constantly updated.

2. Ways of activating and making use of the service

- › **Activation on the CPN:** Carraro will provide the User with accounts for the CPN as specified in detail in Art. 4 below.
- › **Helpdesk:** Carraro will provide a Helpdesk service which can be consulted for any kind of problem or information on the CPN. How the service will be provided will be specified directly via the CPN.
- › **Use of the CPN:** following the initial activation phase, the User will become a CPN operator and, after accessing the system with the accounts, he will be able to make use of all the services provided, as described in Section 1. The service will operate 24 hours per day.
- › **Placing orders online:** any order sent by Carraro and/or the Carraro Group Companies to the User shall be deemed to be accepted within 8 days from insertion in the CPN, unless the User has in the meantime rejected the order or proposed modifications.
- › **Transactions using the CPN:** all obligations arising out of the transactions effected and acknowledged on the CPN will be considered valid and binding for all purposes between the parties to this Contract.

3. Conditions and requirements for the User

The use of the CPN is conditional on signature of this Contract; from a technical point of view, it means that the User must have a PC, a browser and a subscription to an Internet access provider. The system requirements are described in Appendix A.

Any cost incurred by the User for access to the CPN, any adjustment to hardware or software or any other measure will be borne by the User alone.

4. Security and password

The CPN operates in a closed network, access to which is restricted to the following operators: Carraro Group Companies and any suppliers who enter into this Contract governing the use of the CPN.

The User will access the CPN via the Internet from the site www.carraro.com; by typing the accounts, namely login and password, the User has access to its own personal and exclusive section.

The User must not use hardware devices or software packages that do not conform to those specified and listed in Appendix A.

The User must follow the specified methods of using the CPN as stated in the relevant manual supplied herewith or in documentation which can be consulted directly in the CPN.

The accounts (Login and Password) supplied by Carraro to the User must be considered strictly confidential and cannot therefore be disclosed to a third party. Nor can it be used for purposes other than those intended or at any rate not permitted in the provisions referred to in this Contract.

The User is responsible for the transactions effected and consequently the documents issued on the CPN through the use of its exclusive passwords.

Carraro warrants and represents that it has adopted advanced technological solutions to safeguard the security, confidentiality, integrity and inviolability of the data held on the CPN.

5. Liability and Warranties

5.1 The User

The User states that it will accept, respect and observe the arrangements, conditions and terms set forth in this Contract governing the use of the services provided by the CPN.

The User warrants that the information provided and entered into the CPN when registering is true and complete.

The User undertakes to hold harmless and indemnify Carraro in respect of claims, lawsuits or actions for damages suffered or caused to third parties, directly or indirectly, of any type or nature, order and degree, and ascribable to his own fault or to non-conforming usage of the CPN.

If the User fails to observe or contravenes even only one of the aforementioned provisions and obligations, the latter will be directly liable for each and every instance of loss or damage caused to Carraro and/or any third parties as a result of such failures.

5.2 Carraro

Carraro states that the services that are the subject of this Contract will be of a high standard of quality and provided with the maximum care and skill.

Carraro commits itself to notify the User of any malfunction of the CPN and the services that are the subject of this Contract (such as being impossible to use, interruption, suspension or failure) and, in such cases, to intervene promptly to the best of its ability to restore the smooth running of the CPN and the aforementioned services. It is however understood that Carraro will not indemnify and hold the User harmless from any claim and/or damage deriving from any malfunction of the CPN.

6. Confidentiality

Carraro and the User undertake henceforth to maintain and to instruct their own collaborators and employees and any third parties who may for any reason have gained knowledge of them on Carraro's or the User's premises to maintain absolute secrecy with regard to the contents of any documents exchanged in execution of this

Contract. The same applies to any information and documents of which the User or Carraro have gained knowledge, unless the said information and documentation was already in the public domain and except as regulated by law or by government regulations.

7. Processing of personal data under Legislative Decree No. 196/2003

Within the meaning of and in accordance with Legislative Decree No. 196/2003, Carraro undertakes to process any personal data supplied under this Contract solely for the relevant purposes and, in particular, in strict compliance with the rules referred to in Articles 7 and 13 of the aforementioned decree and the data subject's rights it recognises vis-à-vis the Data Controller and/or the Data Processor.

Within the meaning of and pursuant to Article 13 of Legislative Decree No. 196/2003, the User notes that the data recorded may be used by Carraro for the following purposes: (a) to perform duties arising from legal obligations, including those relating to accounting and taxation; (b) to perform duties arising from the assumption of contractual obligations vis-à-vis the User; (c) for archiving historical data; (d) for advertising and/or promotional purposes and/or in customer satisfaction surveys; (e) for providing references, also by including the User's name on the list of suppliers.

8. Duration and termination of the Contract

Without prejudice for what provided for hereunder, this Contract is deemed to be valid with effect from its acceptance by the User for a period of 3 (three) years and will be renewed automatically for an equal period, unless cancelled by one Party giving the other at least 6 (six) months' notice by registered letter with acknowledgement of receipt.

Each of the Parties will have the right to terminate this Contract with immediate effect from the date on which it gave notice in writing to the other Party, where:

- a) the other Party has failed to discharge one or more obligations entered into under this Contract, without remedying such failure in an effective manner within 30 days after receipt of the formal notice in writing sent by the first Party in this regard;
- b) the other Party is in a state of dissolution, has been put into liquidation or has filed for bankruptcy or admission to other insolvency proceedings or has been declared bankrupt or subject to other insolvency proceedings whatsoever, or has offered to transfer its own assets to creditors,
- c) or, finally, it has been placed under the supervision of the courts or another government agency.

It however remains understood that this Contract is an ancillary agreement to the existing supply contract with the User and that therefore its duration and validity are conditional upon the duration and validity of the supply agreement. Should the supply agreement with the User terminate or be terminated for any reason whatsoever, this Contract must, as a consequence, be deemed terminated.

9. General provisions

Notwithstanding what otherwise stated in the supply contract, this Contract constitutes the entire agreement entered into between the Parties in respect of its subject matter.

Any amendment to this Contract shall not be valid and binding unless in the form of a written document subsequently signed by the Party concerned.

Any tolerance shown by one of the Parties towards conduct by the other Party held to be in breach of the provisions contained in this Contract shall not constitute a waiver of the rights arising from the

provisions breached or a waiver of the right to demand due compliance with all the terms and conditions provided therein.

This Contract and the obligations arising therefrom cannot be assigned by the Contractor or transferred to third parties, in whole or in part, without the prior written consent of the Principal.

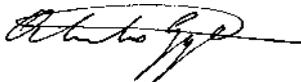
The scope of this Contract is limited to the governing of negotiations between Carraro and/or the Carraro Group Companies and their suppliers and shall not, therefore, give rise to any obligation on Carraro and/or the Carraro Group Companies' part to request supplies from the User, nor does it give rise to any right on User's part to be considered as privileged supplier nor to any right of exclusivity for User.

Any dispute arising from or caused by this Contract will be governed according to Italian law and will be submitted to the sole jurisdiction of the Court of Padua.

Campodarsego, _____

Carraro Spa

The User

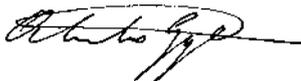


Alessandro Gigli
Purchasing Director

Further to and in accordance with Articles 1341 and 1342 of the Italian Civil Code the User declares that it expressly approves the provisions of the following articles: 2. (Placing orders online and Transactions using the CPN); 5. (Carraro's indemnification and limitation of warranty); 8. (Termination and automatic renewal of the Contract); 9. (Waiver of the rights, governing law and jurisdiction).

Carraro Spa

The User



Alessandro Gigli
Purchasing Director

APPENDIX A **Characteristics of hardware and software** **suitable for use with the CPN**

Minimum requirements

Listed below are the minimum configurations for access to and the use of the services on the CPN.

MINIMO	
Operating System	Windows 2000 or following updates
Processor	Pentium 4 2.80 Ghz
RAM Memory	1 GB
Browser	Internet Explorer 7 or following updates
Internet Connection	ADSL 640 Kbps DL 256 Kbps UL

Please complete with the following information:

Name of CPN User

E-mail address

Language

Telephone number
