

General Purchasing Conditions

2012 Version



The following General Purchasing Conditions (“CGA in the Italian acronym”) govern relations with suppliers in receipt of Purchase Orders placed by Carraro Drive Tech S.p.A. (with offices in Campodarsego, Italy at Via Olmo 37, listed in the Padua Company Register at Administrative and Economic Index (REA in the Italian acronym) No. 0379060, Tax Code and VAT No. 04308180282 and companies directly or indirectly controlled by it pursuant to Article 2359 of the Italian Civil Code (hereinafter individually “the Client”). Any supplemental conditions and/or waivers hereto shall be subject to prior written agreement.

1. Definitions

In addition to terms and expressions which may be defined in other clauses of this agreement for the purposes hereof, the terms and conditions listed hereunder shall be interpreted according to the definitions indicated hereunder:

- › **Special Tooling:** all instruments, equipment, dies, models and/or other equipment including the associated software duly acquired, constructed or adapted for execution of the contractual obligations.
- › **End Client:** the party purchasing goods from the Client.
- › **Purchase Agreement:** the agreement between the Client and the Supplier for purchase of the products as stipulated in Article 2.
- › **Framework Agreement:** Agreement stipulated between the Parties governing the relations with the supplier together with these General Purchasing Conditions.
- › **CPN or Carraro Private Network:** the Client’s web-based application for exchange of data between the Client and the Supplier.
- › **Supplier:** the party supplying or intending to supply products to the Client.
- › **Purchase Order:** orders for Products or Special Tooling sent from time to time by the Client to the Supplier.
- › **Joint Order:** orders sent to the Supplier for the supply of Special Tooling providing for a contribution by the Client to the purchase costs.
- › **Delivery Schedule:** list of supplies scheduled for delivery over a given period.
- › **Lead Time:** period elapsing between placing the Order and delivery of the Product.
- › **Parties:** together, the Client and the Supplier, each of them individually a “Party”.
- › **PPAP (Production Part Approval Process):** Process aimed at ensuring the approval of suppliers of components and their production processes.
- › **Price:** the sum of money which, pursuant to the terms of the Purchase Agreement, the Client pays the Supplier for purchase of the Products.
- › **Products:** Raw and/or machined components or machining works purchased by the Client from the Supplier for use in its own production cycle.
- › **Flawed Products:** Products which do not satisfy the requirements established at Article 8.
- › **Provisional Request:** all batches of Products included in the Delivery Schedule of which the delivery date falls after the Lead Time agreed between the Parties.
- › **Final Request:** a request from the Client to the Supplier for the supply of a batch of Products of which the delivery date is within the Lead Time agreed between the Parties. This corresponds to a Purchase Order and is binding on the Parties.
- › **Technical Specifications:** the documentation supplied by the Client containing the description, form, design, functions and characteristics of the equipment or any other specification for a specific Product.

2. Purchase Agreement

2.1 A Purchase Agreement is deemed to be concluded between the Parties when a Purchase Order sent by the Client to the Supplier is accepted by the Supplier according to the procedures at Article 3.4 of

these General Purchasing Conditions.

2.2 Each Purchase Agreement concluded between the Parties shall be governed by these General Purchasing Conditions and, where applicable, the Framework Agreement. Both documents are considered incorporated into all Purchase Orders.

2.3 Amendments or supplements to these General Purchasing Conditions shall be valid between the Parties only if approved in writing by both parties.

2.4 Should the Parties not sign a Framework Agreement, the supply relationship shall be governed, in addition to these General Purchasing Conditions, by the provisions of each Purchase Order and additional documentation exchanged between the Parties. Unless otherwise expressly agreed by the Parties, in the event of a discrepancy between Purchase Orders and the General Purchasing Conditions, the provisions of the Purchase Order shall take precedence.

2.5 This issue of a Purchase Order in response to an offer by the Supplier shall not imply automatic acceptance of any alternative sales conditions proposed by the Supplier.

2.6 The exchange of data and information regarding the methods for scheduling, acceptance and confirmation of Purchase Orders, price lists, quality indicators and any other accessory instruments may be managed between the Parties via the CPN.

2.7 The Client reserves the right to implement electronic media and instruments (e.g. EDI, email inboxes, web portals) for the exchange of data and information regarding purchase transactions (example: orders, order confirmations, invoices etc.) with the Supplier using available technological resources and according to the applicable legislation. The Supplier shall adopt the procedures and methods for exchanging information and documents indicated by Client as its official communication channel with the Supplier.

3. Purchase Orders and Delivery Schedule

3.1 The Client shall regularly issue, normally via the CPN, a Delivery Schedule listing the individual batches of Products the Supplier shall supply during a given period and the delivery dates required for individual batches.

3.2 The Delivery Schedule will include Provisional and Final Requests. Provisional Requests shall become Final when they fall within the Lead Time agreed between the Parties.

3.3 Final Requests are considered as Purchase Orders and are binding on the Parties without any need for further communication. Provisional Requests are considered as non-binding provisional orders by the Client and may be amended in terms of quantity and delivery time, subject to the limits agreed between the Parties. The Supplier shall, however, maintain adequate production capacity to cover the eventuality that Purchase Orders comply with the Provisional Requests and shall notify the Client if it considers that it is not capable of meeting the Provisional Requests.

3.4 The Purchase Order is accepted on occurrence of the first of the following alternative events: (i) if the Supplier expressly confirms the Order; (ii) at the time the Request becomes Final without the Supplier having previously sent an express request for modification; (iii) when the Supplier initiates the service provided in the Order.

4. Non Exclusive Supply

No right of exclusivity is conferred on the Supplier.

5. Special Toolings

5.1 The Client may request the Supplier to acquire Special Tooling for the manufacture of the Products by issuing Purchase Orders or Joint Orders.

The Supplier _____

Date _____

Company stamp and Signature _____

5.2 The Special Tooling acquired following a Purchase Order for Special Tooling shall remain the Client's exclusive property.

5.3 The Supplier shall not invoice the Client for Special Tooling until the latter has been approved by the Client.

5.4 The Supplier shall not use the Special Tooling for the production or supply of goods and services for third parties, including after expiry of the relationship between the Client and the Supplier.

5.5 The Supplier shall identify the Client's Special tooling using appropriate labels. The Supplier shall keep a register, accessible to the Client, recording all Special Tooling and at the Client's request, shall certify to third parties or the Client itself, the latter's ownership of the Special Tooling.

5.6 The Supplier shall act as custodian of the Special Tooling with normal diligence, shall maintain the Special Tooling in an adequate condition for the manufacture of the Products according to the contractual terms and Technical Specifications and carry out any necessary repairs, replacement and maintenance at its own responsibility and expense.

5.7 The Special Toolings must not be destroyed or wrecks without the written consent by the Client.

5.8 The Supplier shall not transfer the Special Tooling outside its own establishment unless previously authorized to do so by the Client.

5.9 The Supplier shall, at its expense, insure the Special Tooling against the risks of fire, theft, tampering, vandalism, disasters and other risks of loss or damage.

6. Raw Materials and Equipment on Account for Manufacture

6.1 The Supplier shall provide the Client with the documentation provided in the Framework Agreement or in the technical supply sections, certifying the quality and properties of materials used to manufacture the Products.

6.2 The Client shall remain the owner of materials supplied on account for manufacture, and of machining waste (swarf, scrap or rejected parts) except by express written waiver. Prior to the delivery of each batch of Product, the Client shall be notified of the quantity of waste generated by its production process or quality defects in the materials delivered to the Supplier.

6.3 The Supplier shall store and insure materials received on account for manufacture at its own expense, provide for their proper preservation in observance of the rules of prudence and necessary diligence, and shall use the materials exclusively for execution of the Order. The Supplier shall keep goods owned by the Client separate from those owned by the Supplier and/or third parties and shall allow the Client to verify the state of preservation and use of said goods without any prior notice during normal working hours.

6.4 The Supplier shall notify the Client within 3 days of delivery of materials on account for manufacture of any discrepancy between the quantities stated in the shipping documentation and those actually delivered. No communications sent after this deadline shall be taken into account, and missing materials shall consequently be charged in the shipping documentation.

7. Deliveries

7.1 The Supplier shall deliver the Products on the date indicated in the Purchase Order and shall promptly notify the Client of any event which could jeopardise punctual and regular deliveries. In derogation of the instructions in the Purchase Order, if the Client notifies that its warehouse will be closed for public holidays or stock taking, the Supplier shall defer deliveries scheduled for the period of the closure until the date of reopening.

7.2 The Supplier warrants that the quantity of Products declared on the shipping documentation shall correspond to the quantity actually delivered ("quantitative conformity").

7.3 Any tolerances on quantities shall be expressly agreed.

7.4 The Client shall accept only the quantity of Products ordered. If a quantitative non conformity is detected during checking on acceptance, the Client may:

- accept the larger quantity delivered and deduct it on account from subsequent deliveries of the same Product, with consequent deferment of the payment deadlines from the next month with a scheduled delivery;
- reject the excess, which shall be returned to the Supplier at the latter's risk and expense, using normal carriers;
- if a lesser quantity is delivered, require the Supplier immediately to dispatch the missing Products at the latter's expense.

7.5 The Client, in the event of a delayed delivery (including partial) not caused by Force Majeure and without prejudice to the right to seek compensation for further damages, shall be entitled to:

- require execution of the services provided in the Purchase Order and apply a penalty equivalent to 1% of the price of Products not delivered for each day of delay up to a maximum of 20%;
- cancel the Order with immediate effect pursuant to Article 1456 of the Italian Civil Code by written notification sent to the Supplier;
- procure all or some of the Products ordered and not delivered from an alternative Supplier. In this case the Client shall charge the Supplier for any increased costs.

7.6 The packaging and labelling of Products shall conform to the instructions in the technical sections.

7.7 Unless otherwise specified in the Framework Agreement, the delivery terms shall be DAP Client's establishment (Incoterms® 2010).

7.8 In the event of a change in the delivery date indicated in the Purchase Order or in the Delivery Schedules not attributable to the Supplier, the latter shall place the Products in appropriate storage for a period not exceeding 3 months. Storage costs shall not be charged to the Client.

7.9 Under no circumstances shall receipt or payment for Products be considered as acceptance of the latter, or exonerate the Supplier from liability. Acceptance of Products is subject to satisfactory outcome of verifications by the Client according to the procedures in force between the Parties.

8. Quality Control

8.1 Before starting series production of a new or modified Product, the Supplier shall prepare and submit to the Customer the documentation of PPAP and shall produce samples for efficiency and quality tests as provided in the technical sections and in the "Suppliers' Quality Manual".

8.2 Following approval of PPAP, any modifications of the Product's characteristics, materials, production methods or location may be introduced exclusively upon presentation of an updated PPAP and new samples carried out according to the new process, whereon will be repeated efficiency and quality checks provided by the technical specifications, and subsequent approval by the Customer of this updated PPAP.

8.3 Approval of a PPAP and sample by the Client shall not affect the Supplier's liability as provided in these General Conditions.

8.4 The Supplier shall carry out the technical tests agreed with the Client and all checks necessary to ascertain that the Product is fit for its intended use and compliant with the technical specifications agreed between the Parties. The Supplier shall also forward the associated test documentation to the Client, enclosing it into the PPAP. The Supplier may commence series production only following the Client's approval

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of the PPAP, it being understood such authorization shall not constitute acceptance of the Products or exonerate or reduce the Supplier's liability or the guarantees for Products supplied.

8.5 The Client may from time to time access the Supplier's production facilities to carry out checks on processes and resources used by the Supplier to manufacture the Products. The Supplier warrants the suitability of its own manufacturing methods for the processes described in the "Suppliers' Quality Manual" consigned by the Client to its own Suppliers and undertakes to issue a certificate of conformity attached to each batch of Products delivered. The Client may reject deliveries of Products delivered without this certificate.

8.6 The Client may at any time amend or supplement the provisions of the Product Technical Specifications and the Supplier shall comply immediately subject to the limits of its own production capacity. No amendments shall be introduced by the Supplier unless previously authorized by the Client by approval of an updated PPAP.

8.7 The Supplier shall preserve all documentation regarding PPAP, technical testing, trials and approvals for at least 15 years and make the latter available to the Client on request.

9. Products Guarantees

9.1 The Supplier shall guarantee for a period of 2 (two) years from the date of delivery to the End Customer: (i) conformity of the Products to the Technical Specifications, the samples approved by the Client and the applicable regulations; (ii) that the Products are fit for their intended use; (iii) the satisfactory quality of materials used (unless supplied directly by the Client); (iv) absence of flaws or defects (including hidden) of manufacturing and materials. Should the Supplier enjoy industrial property rights over the Product, it shall also be liable for design flaws.

9.2 If a flaw is detected before the item is used to manufacture the Products, the Client may, at its sole discretion, exercise one or more of the following options: (i) request immediate sorting of materials consigned at the Supplier's expense and replacement of the Flawed Products by compliant ones (ii) reject the entire batch containing the Flawed Products and return it to the Supplier at the latter's risk and expense with subsequent annulment of the part of the Purchase Order regarding the rejected Products ; (iii) in the case of emergency or if the Supplier is not capable of providing immediate replacements or in cases agreed with the Supplier, carry out or have third parties carry out processing of the damaged Products with a view to their sorting and recovery.

9.3 In the cases provided at paragraph 9.2 above, the Supplier shall pay the Client (i) administrative costs incurred in issuing the Products' non conformity report; (ii) the cost of sorting operations; (iii) the cost of any supplementary machining for their recovery at the hourly rates applicable in the reference markets.

9.4 Should a defect be detected at the production facility during or after use in production or assembly of Products, the Client, in addition to the rights and remedies applicable pursuant to Article 9.2, shall be entitled to charge the Supplier for (i) the cost of replacement operations (assembly and disassembly) of the Products, charged at the hourly rates applicable in the reference markets (ii) the cost of materials or finished products which are damaged by the Flawed Products.

9.5 If the flaw detected according to paragraphs 9.2 and 9.3 above causes a production shut-down at the Client's and/or End Customer's production facility, the Client shall be entitled to charge – for each hour the production line is shut down – an amount equivalent to the hourly rates provided in the reference markets and/or require the Supplier to pay for rapid transportation necessary to limit the production line downtime.

9.6 Within 60 days of the date of becoming aware of flaws in the Products, the Client shall send the Supplier a Claim under Guarantee including: (i) the non-conformity report for the Flawed Products with

indication of the flaws detected; (ii) request for intervention pursuant to Articles 9.2 and 9.3 and/or a summary table of operations already carried out and duly costed; (iii) a request for compensation for damages suffered and the costs sustained.

9.7 The Supplier may inspect the Flawed Products or Parts thereof by sampling, requesting the Client within 30 days of dispatch of the Claim under Guarantee to make them available or send them at the Supplier's expense, to the address indicated by the latter.

9.8 The Supplier shall pay invoices issued by the Client for Claims under Guarantee within 60 (sixty) days date of invoice. The Client shall be entitled to offset invoices for compensation for damages against payments due to the Supplier.

9.9 The Supplier shall bear full liability for harmful or dangerous emissions of the Products and shall indemnify and hold the Client immune from any claims regarding damages to property or persons caused by the Products. If the Client is obliged to pay compensation for said damages, at the Client's request the Supplier shall indemnify the Client for all losses, costs and expenses. The Supplier shall reimburse and hold the Client immune from all costs and expenses incurred during the campaign of recall or repair of Products or equipment in which the Products are incorporated, whether for replacement, repair or withdrawal from the market of Products supplied by the Supplier which prove defective, non-compliant with regulations or dangerous due to causes attributable to the Supplier.

9.10 Without prejudice to the Client's right to seek compensation for further damages caused by flaws in the Products, the Client shall debit the Supplier for any penalties and compensation already claimed by its own End Customers for damages suffered by the latter and resulting from flaws detected during the guarantee period as indicated at Article 9.1.

9.11 Pending ascertainment and findings regarding Product defects indicated by the Client in the Claim under Guarantee, the Client, without prejudice to any other rights deriving under this Agreement or in law, shall be entitled to suspend payment of consideration due for the batch of Products in dispute.

10. Spare Parts

10.1 The Supplier shall guarantee the availability of spare parts for the Products for 10 years from the date of the last delivery.

10.2 On expiry of the aforementioned 10 year period, the Supplier undertakes to offer the Client the option of making a final purchase of spare parts before they are definitively eliminated.

10.3 The Supplier undertakes to sell spare parts exclusively through the Client's distribution channel and undertakes to refrain from any action intended to compromise the Client's distribution channel.

11. Liability

11.1 Without prejudice to any other rights of the Client under these General Purchasing Conditions or in law, the Supplier undertakes to indemnify and hold the Client immune from any liability, fees, cost and/or losses, direct or indirect, deriving from damage to the third parties caused by defective Products. To this end, the Supplier undertakes to stipulate, at its own expense, an appropriate third party insurance policy for the Products valid worldwide with maximum cover of not less than €2,000,000 for each individual claim and €5,000,000 for sequential claims and to maintain its validity for the entire term of the agreement, with a waiver of any right of recourse against the Client. The Supplier undertakes to send the Client a copy of the aforementioned policy and all subsequent amendments, supplements or cancellations.

11.2 The Supplier undertakes to intervene and support the Client's arguments in any judicial proceedings for compensation for damage caused by defects in the Product and undertakes, during the proceedings, to comply with the Client's instructions, also undertaking to re-

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frain from concluding any separate negotiated settlement without the Client's prior authorisation.

12. Invoices and Delivery Documents

12.1 The Supplier shall issue invoices for the sale of Products monthly and send the originals to the Client's supplier accounts office. Each invoice shall refer to an individual Purchase Order the Products delivered in a specific month and subject to the same rate of VAT. The Client reserves the right to reject non-compliant invoices.

12.2 The Supplier shall state origin of the invoiced goods in the invoice, pursuant to the provisions of the European Union Customs Code (EU Regulation 2913/92 of 12.10.1992) in force at the time of delivery of the goods.

12.3 The Products shall always be accompanied by the shipping documentation or a consignment note prepared according to the legal provisions in force. The Client reserves the right to reject at the Supplier's risk and expense, deliveries of Products accompanied by non-compliant shipping documents.

12.4 At the Client's request or as provided by law or applicable regulations, the Supplier shall provide, free of charge, documentation necessary for the handling of materials such as, by way of example but not restricted to: certificates of origin, export licences and customs documents.

13. Prices

13.1 The Product prices are indicated in the Price List agreed between the Parties and appended to these General Purchasing Conditions and are confirmed for each Purchase Order. In the event of a discrepancy between the Price List and the General Purchasing Conditions, the Price stated in the Purchase Order shall take precedence. Prices are net of tax.

13.2 Prices shall be adjusted or amended over time according to the procedures provided in the Framework Agreement, if existing. In any event, amendments shall be valid only if accepted by both Parties.

13.3 In the event of a request to amend the Prices, if agreement cannot be reached between the Parties, the Supplier shall continue supplying the Products according to the existing valid conditions for a period of at least 6 months.

13.4 For the entire term of the Agreement, the Supplier undertakes to charge the best prices for Products supplied to the Client in the light of competitors' pricing. If during the term of this Agreement, notwithstanding the above, the Client asserts that the prices charged by the Supplier for some or all of the Products are not competitive with market prices, the Client shall inform the Supplier and the Parties henceforth undertake to meet and proceed in good faith as promptly as possible with the necessary price verifications.

14. Payments

14.1 Payments for invoices issued by the Supplier shall be made within the payment deadlines agreed between the Parties, to the current bank account notified in writing by the Supplier. The payment deadlines indicated in the invoice are non-inclusive of payment technical management and completion times.

14.2 Receivables due to the Supplier from the Client shall not be assigned and/or delegated in any form whatsoever.

14.3 The Client shall be entitled to offset amounts due to the Supplier against any receivables due to the Client or a company directly or indirectly controlled by the latter by the Supplier.

15. Non-Fulfilment and Disputes

Should the Supplier fail to fulfil its own contractual obligations, the Client shall be entitled to retain sums due to the Supplier for any whatsoever reason as compensation for the damage.

16. Prohibition on Assignment of the Agreement

The Supplier shall not assign the Supply Agreement in whole or in part.

17. Subcontractors

17.1 The Supplier may entrust a part of production to third parties exclusively subject to the Client's prior approval. Should the Supplier rely on the collaboration of sub-contractors without the Client's authorisation, the latter shall be entitled to cancel the Purchasing Agreement.

17.2 The Supplier shall ensure that its own subcontractors conform to the characteristics in the Client's technical specifications and in any event shall remain solely liable to the Client for any breach by sub-contractors or flaws in the Products.

18. Continuity of Service

The Supplier undertakes duly to fulfil all the obligations in these General Purchasing Conditions and the Purchase Orders irrespective of any reasons, disputes or objections addressed to the Client, which shall be managed and defined separately and which may be proposed subject to regular and exact fulfilment of the aforementioned obligations.

19. Express Termination Clause

19.1 Either Party may cancel the Product Purchasing Agreement and/or the Framework Agreement with immediate effect by written notification sent to the other Party in the cases hereunder:

- a) if the other Party has failed to fulfil even one or more of the obligations under this Agreement without providing an effective remedy within 30 days of receipt of a written warning requesting same sent by the other Party;
- b) in the event of force majeure (as defined in Article 19.2 hereunder) which prevents the other Party from fulfilling its contractual obligation and which persists for more than 30 days since the start thereof;
- c) if during periodic checks carried out by the Client it appears the Products supplied by the Supplier are not competitive with those on the market in terms of quality, price and service level;

19.2 If the Supplier is no longer regularly able to comply with the obligations it has assumed, or enters a state of liquidation or files for insolvency or admission to a similar procedure, or has been declared insolvent, or subjected to other insolvency procedures, or has offered to assign its own goods to creditors, or is in whole or in part subject to judicial control, the Client shall be entitled to terminate the Agreement with immediate effect by simple written notification sent to the Supplier.

20. Force Majeure

20.1 Compliance with the obligations of one Party shall be suspended in whole or in part for the entire period the Party concerned is prevented from fulfilling its obligations by a situation of Force Majeure, provided that:

- a) within 3 days of occurrence of the event of Force Majeure, the impeded Party informs the other Party in writing with proof of the event and notification of the anticipated duration of the situation of Force Majeure;
- b) the impeded party makes all necessary efforts to remedy the situation efficaciously and limit the inconveniences to the other Party.

20.2 Cases of Force Majeure are extraordinary events which the Parties could not foresee or prevent through normal diligence, including, by way of example but not restricted to: wars, including undeclared, uprisings, expropriation or requisition of facilities or installations, sabotage, fire, floods, earthquakes, strikes (excluding those strictly confined to the company).

The Supplier _____ Date _____	Company stamp and Signature _____
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21. Applicable Law and Jurisdiction

21.1 These General Purchasing Conditions and the individual Purchase Orders shall be prepared and interpreted according to the law of the Italian Republic.

21.2 The Court of Padua shall exercise exclusive jurisdiction over any dispute between the Parties.

22. Intellectual Property Rights

22.1 Each Party shall retain full ownership of all rights deriving from Trademarks, industrial inventions, know-how and all other intellectual property rights whether pre-existing or developed by the Parties in execution of this Agreement.

22.2 Should the Supplier exclusively for the purposes of this Agreement, make use of industrial inventions, know-how and/or other industrial property rights owned by the Client, the latter at the Supplier's request shall grant the latter, free of charge, a non-exclusive user licence for said inventions, while retaining exclusive ownership of the associated intellectual property rights.

22.3 In the event of industrial inventions and/or know-how developed by both Parties during the execution of this Agreement, each Party shall individually own all the relative commercial exploitation rights, including for Products other than those subject to Supply. The Parties shall as required agree on patent applications for each of the aforementioned inventions.

22.4 The Supplier undertakes not to establish any direct business relations with the End Customer or its representatives regarding the products and services covered in the Purchasing Agreement. The Supplier shall not make any direct or indirect offers to the End Customer for spare or wearing parts without the consent of the Client in its capacity of commercial partner. This obligation shall apply insofar as necessary to protect the know-how provided by the Client to the Supplier for execution of the Agreement and shall remain in force for 10 years after the final delivery.

22.5 The Supplier agrees (i) not to violate the rights of third parties relating to trademarks, patents and other industrial property rights, except where the Supplier has manufactured the products according to drawings and specifications submitted by the Customer; (ii) immediately notify the customer of any disputes third party for infringement of trademarks, patents and other industrial property rights; (iii) to indemnify and hold harmless the Client from any claim, penalty or claim by any party or by the competent Authority on account of breach of legislation on industrial property and the relative rights of third parties; (iv) to compensate the customer for any damages that may suffer as a result of violation of rights of third parties because of the Supplier.

23. Confidentiality

23.1 All information notified and/or disclosed before or after the date of this Agreement by either Party to the other, whether verbally or in writing (including, by way of example but not restricted to: industrial inventions, know-how, non-patentable inventions, all financial, economic or legal information including analyses, compilations, memoranda, notes, reports, data, studies or other documents and all copies and excerpts containing or based in whole or in part on any said information), is referred to in this Agreement as the "Confidential Information".

23.2 The Confidential Information does not include:

- information in the public domain on the date of signing this Agreement; and
- confidential Information which enters the public domain after signing this Agreement for reasons not attributable to the Party in receipt of the Confidential Information.

23.3 Each Party undertakes for the entire term of the Agreement and for a period of 10 years after its expiry:

- to keep all Confidential Information secret and to refrain from revealing or disclosing any of the Confidential Information to any third party, excluding its own Affiliates participating directly in activities instrumental to execution of this Agreement hence requiring knowledge of the Confidential Information;
- to adopt all necessary measures to maintain the confidentiality and secrecy of the Confidential Information;
- to refrain from directly or indirectly using the Confidential Information for purposes not connected to execution of this Agreement.

23.4 Each Party warrants that its own Affiliate companies in possession of the Confidential Information shall comply with the duty of confidentiality.

24. Carraro Group Code of Ethics

The Supplier declares it is familiar with the contents of Legislative Decree No. 231 of 08.06.2001 and the Code of Ethics adopted by the Carraro Group (freely consulted at the address <http://www.carraro.com/it/corporate-governance/>) and undertakes to conduct itself accordingly. The Supplier declares it is aware that non-compliance with the provisions of the aforementioned Code of Ethics constitutes a serious breach of the obligations in this Agreement, entitling the Client to cancel it with immediate effect for the purposes and the effects of Article 1456 of the Italian Civil Code, without prejudice to the right to seek compensation for any damages suffered.

The Supplier undertakes to keep track of their sourcing channels, caring to buy raw materials extracted in the respect for human rights and not from countries in conflict or whose sale proceeds could support armed conflicts.

25. Privacy

Pursuant to Article 13 of Legislative Decree No. 196/2003, the Parties reciprocally consent to inclusion and processing of personal data in their respective computerised and/or printed databanks.

By signing the Supplier declares it has read and accepted these General Purchasing Conditions.

Date _____

The Supplier _____

The Supplier declares to know and expressly accepts the following art. 2.4, 2.7, 3.4, 4, 5.2, 5.6, 5.7, 5.9, 6.3, 6.4, 7.4, 7.5, 7.8, 7.9, 8.5, 9, 10.1, 10.3, 11, 13.1, 13.3, 14.2, 14.3, 15, 16, 17, 18, 19, 21, 22.2, 22.4, 22.5, 24, 25.

Date _____

The Supplier _____

The Supplier _____

Date _____

Company stamp and Signature
