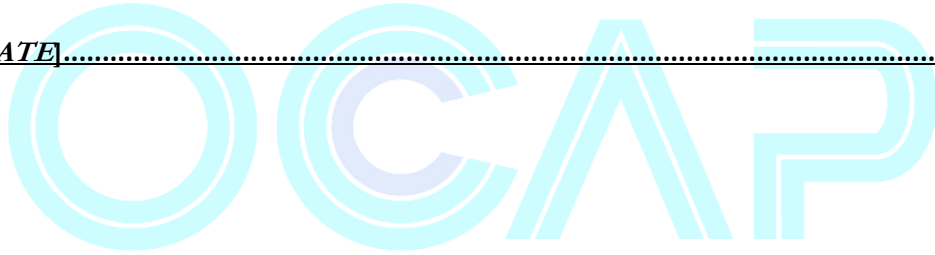


GENERAL CONDITIONS OF SUPPLY

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DEFINITIONS.

Amendment Orders: shall have the meaning set forth in the Paragraphs 3.1 and 3.2.

Equipment: shall have the meaning set forth in the Paragraph 6.1.

Supply Specifications: the document posted on the website www.ocap.it.

Quality Certification: shall have the meaning set forth in the Paragraph 10.4.

Closed Orders: shall have the meaning set forth in the Paragraphs 3.1 and 3.2.

Components: products designed and/or worked and/or assembled and/or manufactured and or sold by the Supplier.

Faulty Components: shall have the meaning set forth in the Paragraph 11.2.

Adverse Market Conditions: shall mean the occurrence of a 20% (twenty percent) average decrease in the monthly value of the orders received by OCAP from the End Users of the Products realized with any Component, protracted for two successive months or more.

Compensation: shall have the meaning set forth in the Paragraph 2.2.

Delivery Schedules: shall have the meaning set forth in the Paragraphs 3.1 and 3.2.

Supplier: indicates any subject, be it a natural person or a body corporate, entering into or anyway concluding a Purchase Contract with OCAP. Such a Contract shall report in its scope what is set forth in the Paragraph 1.1. of these G.C.S. and in any Purchase Orders.

Confidential Information: shall have the meaning set forth in the Paragraph 5.1.

OCAP: is [*] with its registered office in [*], [*], Tax Code and Vat Number [*], registered at the Company Register of [*] with the Registration Number [*], issued and fully paid-up share capital of € [*], duly represented by its legal representative *pro tempore*.

Purchase Order: shall have the meaning set forth in the Paragraph 3.1.

Penalty: shall have the meaning set forth in the Paragraph 21.6.

Price: shall have the meaning set forth in the Paragraph 2.2.

Products: shall indicate any Component of the chassis designed, manufactured and sold by OCAP.

WHEREAS

- A) OCAP is a Company engaged in the design, manufacture and sale of Components for the chassis (hereinafter referred to as the **Products**);
- B) the Supplier is a Company engaged in the design, processing, working, manufacture, assembly and/or sale of the Components;
- C) these General Conditions of Supply shall constitute, together with the Supply Specifications and with any Purchase Orders, all the settlements regarding the mutual obligations entered into by and between OCAP and the Supplier.



I. SCOPE.

- 1.1 The Supplier hereby undertakes to design, process, work, manufacture, assembly for and/or sell to OCAP, which, in its turn, hereby undertakes to purchase, any Products (hereinafter referred to as the Component or the Components), against Purchase Orders issued by OCAP and in compliance with the conditions set forth herein and in the Supply Specifications (where applicable), which the Supplier expressly declares to have received, and to know and accept, after a careful examination, at the Price and under the other conditions set forth in the following Articles.

II. PRICE.

- 2.1 The unit Price of any Component shall be the one reported in any Purchase Order (the **Price**). The Compensation for any lot relating to a Purchase Order (the **Compensation**) shall be the sum of the Price of any Component.
- 2.2 The cost of packaging, in compliance with the packaging specifications set forth in the Supply Special Specifications, shall be already included in the Compensation of any Purchase Order, unless otherwise agreed between the Parties.
- 2.3 The Parties reserve the right to modify the Price of any Components:
- a) in case of significant changes occurred in the cost of raw materials and/or labour;
 - b) following variations occurred in the Supplier production cycle or technological innovations;
 - c) as a consequence of changed market conditions and/or requirements;
 - d) in the cases set forth in next Paragraph 18.3 of these General Conditions of Supply.

III. PURCHASE ORDERS.

- 3.1 The Components shall be delivered into single lots.
- According to its needs, OCAP shall request to the Supplier, which hereby declares its capacity of fulfilment, the delivery of any lot of Components, at first with Sample Orders and/or **Amendment Orders**, followed by periodical orders, closed (**Closed Orders**) or open (**Delivery Schedules**), in compliance with the forms posted on the website www.ocap.it (and jointly referred to as the **Purchase Orders**), specifying the quantity and typology of the Components, their Price and their Compensation.
- 3.2 The Sample Orders shall report the description of the Component typology, the quantity requested by OCAP, the Price and the Compensation, the terms of delivery, any possible specific commercial conditions (terms of payment, INCOTERMS, packaging, currency), all

quality requirements for any Component lots in compliance with the conditions set forth in these General Conditions of Supply and in the Supply Special Specifications posted on the website www.ocap.it.

The Amendment Order, which constitutes an appointment order, shall report the description of the Component typology, the Price, the terms of delivery, any possible specific commercial conditions (terms of payment, INCOTERMS, packaging, currency).

The Delivery Schedule shall report the description of the Component typology, the quantity requested by OPAC, the terms of delivery and the delivery scheduling in relation to quantities and deadlines, withstanding OPAC's right to modify such a scheduling, also pursuant to the Article IV, by means of a written notice to the Supplier.

The Closed Order shall report the description of the Component typology, the quantity requested by OPAC, the Price and the Compensation, the terms of delivery, any possible specific commercial conditions (terms of payment, INCOTERMS, packaging, currency) for any Component lots.

- 3.3 Any Purchase Order, which OCAP shall transmit to the Supplier by any means and in any form, provided that it is in writing, shall become definitive at OCAP receipt of the Supplier's written approval (also by simply subscribing and stamping the Purchase Order). In the event the Supplier should send not any written answer following the Purchase Order, the Purchase Order shall be considered tacitly accepted after 5 (five) days of its receipt.

IV. VARIATIONS TO COMPONENTS AND PRICES.

- 4.1 Furthermore, OCAP shall reserve the right to request to the Supplier, in written form, at any time, and with no possibility of reasonable refusal for the Supplier:
- a) variations to the methods of design, processing, working, manufacture, assembly and/or sale and delivery of the Components currently supplied, agreeing the Price variation;
 - b) the design, processing, working, manufacture, assembly and/or sale of new Components, agreeing the relating Price, withstanding the case set forth in the Paragraph 18.3;
 - c) variations to the Price of the Components currently supplied.
- 4.2 The definition of the Price of any new Component and/or the variation in the Price of any Component currently supplied shall be formalized by OCAP through an Amendment Order.

V. CONFIDENTIALITY OBLIGATIONS AND INTELLECTUAL PROPERTY.

- 5.1 The Supplier hereby undertakes to manage as confidential and reserved any information disclosed or owned by OCAP and referred to the Products and/or Components, including, merely by way of an example, documents, materials, drawings, notes, sketches, project specifications, models, samples, Equipment, CAD files, tridimensional and calculation

models, disclosed to the Supplier on hard or soft copies (paper, magnetic and/or digital) (the **Confidential Information**).

- 5.2 Any information disclosed by OCAP shall not be considered Confidential Information in case:
- a) it is, at its disclosure, already of public domain;
 - b) it becomes of public domain after its disclosure, without any liabilities of the Supplier's;
 - c) the Supplier proves to have known it already before OCAP disclosure;
 - d) OCAP discloses it without any Confidentiality Obligations, or it is disclosed by a Third Party entitled to disclose it;
 - e) it is or becomes subject to reporting obligations towards the Public Administration or the Judicial Authorities.
- 5.3 The Supplier undertakes to use the Confidential Information exclusively to fulfil the obligations set forth in any Purchase Orders as regards the design, processing, working, manufacture, assembly and/or sale of the Components listed in any Purchase Order, or for the research and development of modifications to be made on any Components, or for the realization of any new Components which, from now on, it undertakes to supply exclusively to OCAP.
- Thus, the Supplier undertakes to disclose not any Confidential Information about the Components included in any Purchase Order to any Third Parties, including any possible controlled or controlling Companies, or Companies to it connected under the Article 2359 of the Italian Civil Code.
- 5.4 The Supplier shall not copy nor reproduce any Confidential Information to it disclosed by OCAP in any form, be it hard copy or soft (magnetic or digital), and neither shall it transmit such Confidential Information to any Third Parties or allow any Third Parties to use it without OCAP's written approval.
- 5.5 The Supplier shall adopt any necessary care to preserve the Confidential Information with the due diligence in order to prevent its improper disclosure and/or use.
- 5.6 In case of Components protected by patent rights, copyrights or licences regularly taken out by the Supplier, the Supplier shall inform OPAC and provide it with all the relating documentation.
- 5.7 The Supplier undertakes to return to OCAP any Confidential Information within 3 (three) days of the receipt of OCAP's written request.
- 5.8 The Supplier shall be hold responsible for any damages caused to OCAP or to any Third Parties arising from its breach of the Confidentiality Obligations set forth in these General Conditions of Supply.
- 5.9 The Confidentiality Obligations set forth in this Article shall remain valid up to 3 (three) years from the date of termination of the effects of any Purchase Order as set forth in the Articles XVIII and XIX or, should it occur before, from the date of returning of the Confidential Information referred to at the Article 5.7.

VI. EQUIPMENT.

- 6.1 Any tools, moulds, machinery, production devices or other goods necessary for the design, processing, working, manufacture, control, assembly and/or sale of the Components (hereinafter referred to as the **Equipment**):
- a) if OCAP's exclusive property, shall be used by the Supplier exclusively for the design, processing, working, control, manufacture and/or assembly of the Components, subject to the stipulation of the contract of *Commodatum* posted on the website www.ocap.it. In any case, the Supplier shall return such Equipment within 5 (five) working days from OCAP's written request;
 - b) if manufactured or realized by the Supplier, but OCAP's exclusive property, the Supplier shall use it exclusively for the design, processing, working, control, manufacture and/or assembly of the Components, subject to the stipulation of the contract of *Commodatum* posted on the website www.ocap.it. In any case, the Supplier shall return such Equipment within 5 (five) working days from OCAP's written request;
 - c) if co-owned by and between OCAP and the Supplier, the Supplier shall use it under the terms and conditions which the Parties undertake to agree in writing into a separate act to be attached to the Sample Order;
 - d) if Supplier's property, the Supplier shall use it in compliance with the terms and conditions which the Parties undertake to agree in writing into a separate act to be attached to the Sample Order.
- 6.2 The Supplier undertakes to preserve and use any Equipment with the due diligence and to perform any necessary actions of maintenance or repair at its own cost.
- 6.3 Withstanding the provisions set forth in the Paragraph 6.1.(c) and (d), the Equipment shall be employed exclusively for the production of the Components ordered by OCAP. In case the Supplier should intend to avail itself of Subcontractors or Third Parties for the production of the ordered Components, it shall be subject to OCAP's written approval and shall, in any case, remain liable towards OCAP for the use of the Equipment.
- 6.4 In the cases set forth in the Paragraph 6.1 (a), (b) and (c), the Supplier shall have, at its own cost, an unmovable plate affixed on the Equipment, in full view, reporting the indication that such Equipment is OCAP's property (or co-property), and any other indications indentifying the goods.

VII. PURCHASE OF RAW MATERIALS NECESSARY FOR THE SUPPLY.

- 7.1 Whenever the Supplier purchases raw materials to perform any Purchase Order, it:
- a) shall assume, at its own risk and cost, any market research to procure the raw material;
 - b) shall send OCAP a notice, and a following authorization request, for any exceptions and modifications to specific quantities and quality of any Components. Any modifications

shall be authorized by OCAP's specific written notice, and shall be meant limited, unless otherwise agreed, to a single delivery lot or to a specific quantity and/or quality variation. To this end, the Supplier, at the delivery, undertakes to provide the OCAP Quality Department with all data necessary at the delivery;

c) shall check the conformity of the raw material acquired and shall provide the technical and quality documentation and the bill of parcel, as set forth in the Supply Specifications.

7.2 In case it should be OCAP to provide the Supplier with the raw materials, the Supplier undertakes to (i) examine the material to check its quality conformity against the Purchase Order, (ii) verify that the quantities indicated in the bill of parcel are the same delivered and (iii), in case of non conformity, send a written notice to OCAP within 5 (five) days from the delivery. In default of such a notice, OCAP shall assume the conformity of the raw materials provided, and the Supplier shall be deemed responsible towards OCAP for any possible faults.

VIII. NON COMPETITION.

8.1 The Supplier shall be banned from devising, designing, realizing, manufacturing, assembling, promoting, marketing, selling or anyway commercially exploiting, directly or vicariously, any goods devised, designed, realized, manufactured, assembled, promoted, sold and/or commercialized, in whole or in part, by using the Confidential Information and/or the Equipment and, anyway, goods or technical and/or commercial know-how owned by OCAP or provided by OCAP for the realization of the Components.

IX. DELIVERY.

9.1 The Supplier undertakes to deliver the Components of any Purchase Order in compliance with the terms set forth therein.

The delivery of the Components shall be, unless otherwise specified in the Purchase Order, with DDP INCOTERMS and in compliance with the packaging specifications set forth in the Supply Specifications.

The Supplier shall deliver to OCAP the Components provided with their dispatch documentation and their **Conformity Declaration** as indicated in the Article X. The invoice of the Components delivered for the clearing of any Purchase Order shall preferably be provided contextually to the delivery and, anyway, not later than on the 5^o (fifth) day of the month successive to the date of delivery.

9.2 In case of a Closed Order, OCAP undertakes to accept the Components in compliance with the terms and conditions set forth in the Purchase Order. Nevertheless, in case of **Adverse Market Conditions**, OCAP reserves the right to modify the terms set forth in the Purchase Order and/or to revoke the Closed Orders by means of a written notice to be sent to the Supplier at least 30 (thirty) days before the scheduled delivery date

By Adverse Market Conditions, we mean the occurrence of a 20% (twenty percent) average decrease (calculated as a function of the average of the orders received in the previous six months) in the monthly value of the orders received by OCAP from the End Users of Products realized with any Component, protracted for two successive months or more.

In case of a Delivery Schedule, OCAP undertakes to accept the current month's (T) finished and semi-finished products and the successive month's (T+1) raw materials.

However, in case of Adverse Market Conditions, the Parties undertake, from now on, to meet and agree to defer the material collection and the relating payment or to suspend the delivery of the Components and the issue of new Purchase Orders.

- 9.3 Should the Supplier find it impossible to comply with the delivery time set forth in the Purchase Order, due to Force Majeure causes, or unexpected objective impossibility and/or excessive onerousness, the Supplier shall have the right to propose to OCAP – which reserves the right to accept it in writing – any alternative remedy, including the remise to Third Parties of the relating Purchase Orders, without any burden or additional cost being attributed to OCAP.
- 9.4 Should the Supplier find it impossible to comply with the delivery obligations under the terms set forth in the relating Purchase Orders, withstanding the cases set forth in the previous Paragraph 9.3, OCAP reserves the right to:
- 9.4.1 debit to the Supplier the damages OCAP has occurred into as a consequence of the delayed delivery and, merely by way of an example, the costs for the stop of production (in relation to the non use of machinery and labour) due to the lack of the supply subject; in such a case, OCAP shall charge to the Supplier a debit note, in compliance with the dispositions of the Supply Special Specifications;
 - 9.4.2 charge to the Supplier any debit notes received from any OCAP's Customers in reference to any damages arising from the delayed delivery of Products assembled with late delivered Components;
 - 9.4.3 purchase Components from another Supplier, charging to the Supplier the gap between the Price defined in the late delivered Purchase Order and the price paid to the substitute supplier;
 - 9.4.4 revoke the Purchase Order, in case the Supplier should delay the delivery for a period longer than 20 (twenty) days from the date defined in the Purchase Order;
 - 9.4.5 pursuant to the Article XIX, terminate this Agreement in case the late delivery should cover at least two Purchase Orders.

X. QUALITY CONTROL, CHECKS, *AUDITS*.

- 10.1 The Supplier undertakes to maintain or to obtain, in order to the performance of any Purchase Orders, the ISO 9011 Certification or, preferably, the ISO TS 16949 one.
- 10.2 Furthermore, the Supplier undertakes to comply with the EC Mark and “*Made in Italy*” requirements, with particular reference to the provisions of the Article 4, comma 49 and Ss. mm., of the Law 23rd December 2003, no. 350 as regards the commercialization and export of “*Made in Italy*” products, and to its subsequent modifications and integrations.
- 10.3 The Supplier shall produce the Components in strict compliance with the technical specifications and requirements provided by OCAP. The Supplier shall guarantee that the Components realized for OCAP achieve OCAP quality standards, and it shall fully cooperate allowing OCAP to verify its compliance with the above said standards. The Quality *Audits* shall be performed in compliance with OCAP standards and specifications.
- 10.4 The Supplier, at the completion of any Component, shall perform the appropriate checks and *audits* to verify its compliance with OCAP requirements and specifications. After that, the Supplier shall issue the Quality Certification requested for any Component lots with reference to any intrinsic or production characteristics. Any Products delivered to OCAP shall comply with the techno-quality characteristics set forth in the Supply Specifications.
- 10.5 The Supplier undertakes to perform a quality check on the Components before delivering any Purchase Orders in order to verify their compliance with the reference standards and specifications, according to the Supply Special Specifications (the **Conformity Declaration**). The Supplier undertakes to preserve the results of such checks for 15 (fifteen) years and, in case of request, to provide OCAP with a copy of them.
- 10.6 In case any Component relating to any Purchase Order should be delivered without its Conformity Declaration, OCAP shall have the right to refuse the delivery of such a Component and to charge to the Supplier any relating cost;
- 10.7 OCAP shall have the right to perform, at any time, checks and *audits* by the Supplier’s Premises;
- 10.8 OCAP shall periodically verify its level of satisfaction with the Supplier, through the evaluation of specific parameters detailed in the Supply Special Specifications.

XI. GUARANTEES.

- 11.1 The Supplier undertakes to design, process, work, manufacture, assembly and/or sell the Components at the state of the art, immune from faults, defects and non conformities. OCAP shall have the right to verify the conformity of any lot of Components at the delivery of any Purchase Orders, and the payment of the Compensations possibly occurred in the

meanwhile shall not constitute any presumption of approval of the above said lot of Components.

- 11.2 On the understanding of the previous Articles VII and X, OCAP undertakes to notify any possible faults, defects or non conformities of the Components (the Faulty **Components**) within 60 (sixty) days from the date of the detection, even when detected by any End User, unless the Supplier should not acknowledge such defects or unless it has concealed them.
- 11.3 Furthermore, the Supplier undertakes to hold OCAP harmless from any faults, defects or non conformities of the Components for a 2 (two) years' period after the End User's purchase date of any Products including a Component.
- 11.4 The Supplier undertakes to repair or replace any Faulty Components in compliance with next Paragraph 11.5, withstanding, in any case, OCAP's right to act the remedies set forth in the Article XIX and to claim for all damages arising from the Faulty Components.
- 11.5 In the event of any Faulty Component, and withstanding, in any case, OCAP's right to obtain the indemnification for all damages suffered, and the Supplier implementing an action to reduce the entity of the non conformity, OCAP shall have the right to act the following procedures (alternatively, by way of an example), even, if possible, in cooperation with the Supplier and always in compliance with the Supply Specifications:
 - 11.5.1 OCAP or a Third Party (accepted by OCAP) shall restore the Faulty Components at the Supplier's expense;
 - 11.5.2 the Faulty Components shall be restored by the Supplier at its own expense and the Supplier shall deliver them to OCAP within 48 (forty-eight) hours from the detection of the fault, defect or non conformity;
 - 11.5.3 the Faulty Components shall be replaced by the Supplier within 48 (forty-eight) hours from the detection of the fault, defect, or non conformity. The Supplier undertakes to collect the Faulty Components within 7 (seven) days from OCAP's written request.
- 11.6 OCAP shall have the right to terminate for default the contractual relation arising from the acceptance of one or more Purchase Orders by means of a written notice pursuant to the Article XIX, in case faults, defects and/or non conformities should constitute a breach of such a relation or, in any case, should the Supplier refuse to repair or replace the Faulty Components or should it not deliver (or should it notice to be not able to deliver) the restored and/or replaced Components within the terms set forth in the Paragraphs 11.5.2 and 11.5.3.
- 11.7 In any of the cases described in the Article 11.5, OCAP shall charge to the Supplier a debit note for the Faulty Components in compliance with the Supply Specifications.
- 11.8 The Supplier commits itself to resell not any Faulty Components refused by OCAP and, under OCAP's request, to scrap the Faulty Components and to send OCAP the relating report within 30 (thirty) days.

XII. MODIFICATIONS TO COMPONENTS.

- 12.1 OCAP reserves the right to require, in writing, possible modifications in the design, processing, working, manufacture, assembly and/or sale of the Components, agreeing the consequent variations on the Price, according to the Article IV.
- 12.2 Withstanding the previous Paragraph 12.1, any time OCAP should need to modify the Components or to stop their production, unless otherwise agreed in writing between the Parties, OCAP:
- 12.2.1 shall accept the delivery of the Components finished or no longer modifiable at the date of the modification notice. In any case, the quantity of Components which OCAP undertakes to accept shall not exceed the quantity ordered in the previous month;
- 12.2.2 shall accept the delivery of the raw materials and the semi-finished products, only under a written agreement;
- 12.2.3 shall accept the delivery of the stocks in hand by the Supplier's, only under a written agreement.

XIII. WORK AND SAFETY CONDITIONS.

- 13.1 The Supplier undertakes to engage labour regularly employed and registered according to the pursuant Law, in compliance with the Labour Law and, where applicable, with the Collective Agreement and with particular attention in regard to the matters of salaries, child labour, and safety, hygiene and health protection at work.
- 13.2 The Supplier undertakes to employ not, at any levels of the Component production, child labour in violation of the Laws currently in force in its Jurisdiction. To this end, OCAP reserves the right to visit the Component production places. The employment of child labour in violation of the Laws currently in force in the Supplier's Jurisdiction shall entitle OCAP to terminate for default any contractual relations arising from the acceptance of any Purchase Order according to the Article XIX.
- 13.3 The Supplier shall provide specific evidence that the materials by it delivered to OCAP comply with the Article 180 of the D.Lgs. 9th April 2008, no. 81 and 17th March 1995, no. 230, as regards the protection of workers from ionizing radiations. Such evidence shall be attached to the Conformity Declaration or to the documents indicating the chemical-physical-mechanical characteristics of the materials delivered to OCAP.

XIV. COMPLIANCE WITH THE ENVIRONMENT LAWS AND THE SAFETY OF COMPONENTS.

- 14.1 The Supplier undertakes that the Components by it delivered to OCAP shall always comply with any applicable Regulations, be it national or international, as regards the risks related to

health and safety, environment, production, distribution, use and sale of the Components, including those due to the presence or the use of chemical components, harmful substances or materials (including, by way of an example, any Laws or Regulations currently in force in the United States of America, in the European Union, in India and in China (and in any State, Country or Administration of such Political Entities).

- 14.2 The Supplier undertakes to fully and correctly comply with any obligations set forth in the EC Regulations no. 1907/2006, as regards chemicals and their safe use (the so called REACH).

XV. PAYMENT – CREDIT TRANSFER.

- 15.1 The payment of the Compensations against any Purchase Order shall be performed 120 (one hundred and twenty) days after invoice, at the end of the month, unless differently set forth in the Purchase Order.
- 15.2 The Supplier shall not be entitled to perform credit transfers (even towards loan banks and factoring companies) for any credit matured towards OCAP in performing any Purchase Order, unless expressly authorized in writing by OCAP.
- 15.3 The Supplier undertakes to inform any Third Parties involved, through the most proper means, about the prohibition set forth in the Article 15.2.

XV. PAYMENT – CREDIT TRANSFER.

- 15.4 The payment of the Compensations against any Purchase Orders shall be performed 120 (one hundred and twenty) days after invoice, at the end of the month, unless differently set forth in the Purchase Order.
- 15.5 Supplier shall not be entitled to perform credit transfers (even towards loan banks and factoring companies) for any credits matured towards OCAP in performing this Agreement, unless expressly authorized in writing by OCAP.
- 15.6 The Supplier undertakes to inform any third parties involved, through the most proper means, about the prohibition set forth in Article 15.2.

XVI. PARTIES' SUBJECTIVE CONDITIONS - TRANSFER FORBIDDEN.

- 16.1 The Parties mutually undertake that the relation between OCAP and the Supplier for the [*design, realization and sale*] of the Components shall be based on an equal and independent relationship between them.
- 16.2 It shall be strictly prohibited for the Supplier to transfer any Purchase Order, in whole or in part, or its rights and obligations set forth under it, to any Third Parties.
- 16.3 Furthermore, the Supplier shall not have the right to subcontract, under contract or in outsourcing, the design, the manufacture, the assembly and anyway the realization of any Products, in whole or in part, with the exception of the cases set forth in the Articles VIII and X and, in any case, subject to OCAP's prior written approval. .

XVII. INSURANCES.

- 17.1 In case of Components to be used for the realization of Products to be sold as Original Equipment (OE), the Supplier undertakes to take out one or more insurance policies and to maintain it/them for 3 (three) years after the acceptance of any Purchase Order, with terms and conditions proper to face with any possible refunding responsibilities which could be charged to the Supplier in the performance of any Purchase Order.
- 17.2 Furthermore, the Supplier undertakes to maintain a proper insurance policy for any damages suffered by persons and things due to the use of the Equipment referred to at the Article VI.
- 17.3 Under OCAP's request, the Supplier shall produce a copy of such policy/ies and guarantee the payment of premiums.

XVIII. TERMINATION FOR CONVENIENCE AND COMPETITION.

- 18.1 Withstanding the dispositions set forth in next Paragraph 18.2, OCAP reserves the right to terminate the contractual relation arising from any Purchase Order by means of a written notice of 30 days to be sent to the Supplier. In such an event, OCAP undertakes to accept the Components finished within the expiry day of the notice.
- 18.2 The Supplier undertakes to maintain the Price of the Components in line with the best market conditions. In case OCAP should find some other Suppliers offering Components with same characteristics of, or fungible as, the Components of any Purchase Order at a Price equal to the 95%, OCAP shall have the right to notice in writing to the Supplier such lower offer (Notice of Competition).

The Parties undertake to review the Price of the Components subject to the Notice of Competition, within 10 (ten) days of the Supplier receipt of such a notice.

Should the Parties find not an agreement on the review of the Prices of the Components subject to the Notice of Competition, OCAP shall reserve the right to terminate all the ongoing Purchase Orders.

XIX. TERMINATION FOR DEFAULT.

- 19.1 OCAP shall have the right to terminate for default any agreement arising from any Purchase Order by means of a written notice to the Supplier, in the event one or more of the following cases should occur:
 - a) the Supplier's protracted impossibility, for any reason arose, to fulfil its obligations under any Purchase Order;
 - b) the Supplier should subcontract, under contract or in outsourcing, the design, manufacture, assembly and anyway the realization of any Products without OCAP's prior written authorization;
 - c) the Supplier's failure to comply with the delivery time of a Component lot for any Purchase Order;

- d) the Supplier should fail in maintaining its capacity to design, realize and deliver the Components;
- e) the Supplier should lose or fail to obtain the ISO 9001 Certification;
- f) the Supplier should fail to comply with its obligations set forth in the Article 4, comma 49 and fol., of Law 23rd December 2003, no. 350, for the commercialization and export “*Made in Italy*” products, and with the EC Mark Regulations;
- g) the Supplier should breach its obligations set forth in the Articles VIII, XI, XIII, XIV, XVI, XVII, XVIII and XIX of these General Conditions Of Supply;
- h) any other breaching of the Supplier of the obligations set forth in these General Conditions of Supply;
- i) the Supplier should transfer any of its credits matured towards OCAP in the performing of its obligations set forth in any Purchase Order, thus breaching the Articles 15.2 and 15.3 of these General Conditions of Supply;
- j) the Supplier should undergo bankruptcy or any other insolvency proceedings.

It is understood that OCAP shall have the right, in case of termination for default, to claim for all damages suffered consequently to any breaching of the Supplier.

XX. SURVIVAL OF SOME CONTRACTUAL OBLIGATIONS.

- 20.1 Any nullity, voidability or invalidity of one or more of the settlements set forth in one or more articles, commas or paragraphs of these General Condition of Supply shall not entail the nullity, voidability or invalidity of any other.
- 20.2 Furthermore, the Parties expressly agree that the expiry of the effects of any agreement arising from any Purchase Order and/or ruled by the provisions of these General Conditions of Supply, in particular for any of the reasons set forth in the Articles XVIII (Termination for Convenience and Competition) and XIX (Termination for Default), shall not entail the fading of the provisions set forth in the Articles V (Confidentiality Obligations and Intellectual Property), VIII (Non Competition) and in the Paragraph 15.2 (Credit Transfer) which shall remain valid up to 3 (three) years after the date of expiry of the above said relation arising from any Purchase Order.
- 20.3 Furthermore, the provisions set forth in the Article XI with reference to the Guarantees on the Components delivered to OCAP shall remain valid.
- 20.4 At the expiry of the effects deriving from any Purchase Order, the Supplier shall further undertake to return any goods received from, or property of, OCAP, including, by way of an example, Equipment, Confidential Information, drawings, projects, samples, moulds etc.

XXI. FURTHER SETTLEMENTS - PENALTY.

- 21.1 Any Purchase Order and these General Conditions of Supply shall constitute, together with all their Attachments and the documents they refer to, all the settlements ongoing between the Parties in relation to their scope, and they shall replace any other previous arrangement or agreement, be it written or oral.

- 21.2 No provisions of these General Conditions of Supply or of any Purchase Order shall be modified unless a further written agreement should be entered by and between the legal representatives of both Parties or by any person provided with the due Powers of Attorney.
- However, any Purchase Order might waive these General Conditions of Supply with reference to the terms of payment and return.
- 21.3 The compensations set forth for the obligations assumed by the Supplier in the Articles V (Confidentiality Obligations and Intellectual Property) and VIII (Non Competition) shall be meant already included into the Compensation.
- 21.4 In case the Supplier should fail to fulfil even only one of its obligations set forth in the Articles V (Confidentiality Obligations and Intellectual Property), VIII (Non Competition) and Paragraph 15.2 (Credit Transfer), the Supplier shall pay to OCAP, as a penalty, for any breaching, an amount equal to the 40% (forty percent) of the invoicing deriving from the sum of the Purchase Orders executed in the previous 12 (twelve) months (the “**Penalty**”), withstanding, in any case, OCAP’s right to act to obtain the specific execution of the obligations, including any action, be it inhibiting and/or returning, and the indemnification of any possible further damage suffered.
- 21.5 Any possible tolerance of a Party towards any breaching of the other of any provisions set forth in any Purchase Order and in these General Conditions of Supply, shall not represent this Party’s renunciation of its rights arising from such breached provisions, neither of its right to require the correct execution of all terms and conditions set forth therein.
- 21.6 Should any of the provisions set forth in these General Conditions of Supply or in any Purchase Order result unfeasible, invalid or illegitimate, in whole or in part, the remaining provisions shall not be afflicted or nullified by this same invalidity or illegitimacy. The Parties shall replace the invalid or illegitimate provision in such a way to keep unaltered, as far as possible, their mutual rights and obligations and the economical contents of their agreements and in order to realize their original intents.
- 21.7 The Supplier compels himself to comply the principles and the rules set forth in Code of Ethics and in Organisation, Management and Control Model adopted by OCAP according to D.Lgs n. 231/2001, both published on the web site www.ocap.it. In case of serious breaches of the aforementioned principles and rules, OCAP shall have the right to terminate any supply contract for default, according to the previous article XIX.

XXII. NOTICES.

- 22.1 Any notice or communication required under any Purchase Order and under these General Conditions of Supply shall be written in Italian and sent through certified email.

XXIII. LANGUAGE AND LAW APPLICABLE.

- 23.1 These General Conditions of Supply are issued in English. The English version of these General Conditions of Supply shall prevail on any other translation and it shall be the sole used for the interpretation of the clauses of these General Conditions of Supply.
- 23.2 These General Condition of Supply, the Purchase Orders and the Parties' consequent mutual rights and obligations shall be ruled and interpreted under the Laws currently in force in the territory of the Italian Republic.

XXIV. PLACE OF JURISDICTION.

- 24.1 The Parties submit to the exclusive competence of the Court of Torino (Italy) any legal actions or proceedings in relation to these General Conditions of Supply and to any Purchase Order which, under the Italian Law,.

[Place, Date]

On behalf of OCAP's:



On behalf of the Supplier's: