STANDARD PURCHASE TERMS AND CONDITION
(Rev. 5)

1. Acceptance

In order to become a valid and binding contract between Supplier and Buyer, these Terms and Conditions must be accepted by Supplier and the acknowledgment copy received by Buyer within seven days to the date hereof.
Return of acknowledgment copy attached hereto or, in case of Supplier's failure to return the acknowledgement, the commencement of performance constitutes acceptance by Supplier of all terms and conditions herein. If the Supplier finds any doubts or uncertainties regarding this document as a whole or parts of it, shall immediately inform the Buyer.
Buyer shall not be bound by any other Terms and Conditions attached to invoices or other documents issued by Supplier, unless clearly and unambiguously accepted by Buyer in writing. Buyer may be bound only by modifications expressly approved in writing, contained within the orders or the call-offs ("Orders").
The estimated quantities quoted in the price inquiry statement or requests for quotation are indicative only, and do not bind Buyer, until Buyer explicitly calls for fixed quantities in the release documents.

2. Prices

The Orders must not be filled at higher prices than last quoted without written authority of Buyer. If price is omitted on the Orders, it is agreed that the Supplier's price will be the lowest prevailing market price. Supplier warrants that the prices indicated in the Orders are the same as any other price applied by Supplier, to any other customer, for similar Products.
The price cannot be changed for the entire duration of the contractual relationship.
Supplier will have to guarantee to be in possession of the complete functional autonomy and the organization necessary to deal with phenomena of exceptional nature such as coverage of raw materials being aware of the productive visibility, machine failures and absenteeism's peak.

3. Packing, transportation and cartage

No charge is allowed for delivery, transport or packing unless designated on the Orders. Buyer's receiving department is instructed to reject all purchased Products which are not properly packaged or not in suitable containers to protect them against slacking, corrosion, breakage, marring and disarrangement. Supplier is responsible for checking the fitness of containers and packaging in general.

4. Quality and inspection

For all Products made under Buyer drawing specification and for every kind of modification in the Product or the Process, it is mandatory to exhibit a PPAP Lev.3 and IMDS before the start of production together with at least 5 samples each of item. All parts, materials, assemblies and tooling ("Products") must be as specified and can be subject to inspection, and approval of Buyer after delivery. Buyer reserves the right to reject and return at the risk and expense of Supplier such portion of any shipment which may be defective or fail to comply with specifications without invalidating the remainder of the Orders. Rejected Products will be held for disposition at expense and risk of Supplier, for a maximum period of 14 days from notification date.
Inspection or testing as aforesaid shall not be deemed to constitute acceptance of the Products or any part thereof nor shall it relieve Supplier from complying with any and all of the express or implied conditions in the contract.
Supplier shall maintain quality and delivery standards that are consistent with the automotive standards of either IATF 16949 or a regionally accepted alternative as approved by Buyer.
In the event that the supplied Products do not reach, following inspections, the standards required by Supplier, and Supplier does not correct such deficiencies within three months after notification by Buyer, in addition to any other rights Buyer has, Buyer may immediately terminate the Orders without any further obligations to Supplier.
At Buyer's request, Supplier will furnish Buyer test samples of such Products as may be reasonably required by Buyer to determine if such manufacturing is being performed in accordance with the specifications furnished by Buyer. These samples will be provided at no cost to Buyer.
Supplier must comply with the provisions set out in the "Supplier Quality Manual" that declares to have received, to known and to accept.

Buyer may, upon reasonable notice, during normal business hours, make reasonable inspections, at such intervals as Buyer deems necessary, of the facilities where Supplier manufactures Products.
Buyer may decide to terminate the contractual relationship with Supplier, if Supplier, following written notification from Buyer, continues to fail to maintain the expected quality standards for a period of three months.

5. Environmental, health, safety

Supplier must comply with all relevant Environment, Health and Safety regulations in force, for the entire duration of the contractual relationship. Supplier is also required to apply and comply with all the provisions contained in the Code of Ethics and the Code of Conduct of VRM Group, which Supplier declares to have received, to know and to accept.
Buyer, in order to comply with the aforesaid provisions, reserves the right to periodically check the regular recruitment of the Supplier's staff.

6. Quantity

Buyer will not in any manner be held responsible for Products delivered or for work done on its account unless duly authorized by a written Order approved by Buyer properly authorizing the delivery of such Products or the performance of such work.

7. Deliveries

Supplier undertakes to produce and deliver with the utmost diligence and professionalism each Product, in accordance with the Orders' provisions and in compliance with the necessary quantity requested by Buyer. Supplier shall not deliver any Products in advance of the schedule set forth in the Orders, without Buyer's written permission. Buyer reserves the right to return, at Supplier's expense and risk, all Products received in advance of the schedule shown on the Orders. Supplier must promptly inform Buyer in writing of the possible incapability of delivery of the Products on schedule timing.

In the event of any delays or defaults in deliveries as result of Supplier's fault, Buyer will not be liable to pay any part of any increases in prices, transportation costs, duties, exchange rates or other items which affect the cost to Buyer of the articles herein contracted for and which arise after the date for delivery specified. Supplier is obliged to compensate Buyer for any damage, additional costs or loss in profit caused by the delay in delivery. If such increases are due to instructions given by Buyer, Supplier shall whenever reasonably possible, notify Buyer that the instruction will result in an increase (1) and must indicate its nature (2).
Supplier undertakes to comply with the provisions set out in the "Supply Logistics Agreement" which Supplier declares to have received, to known and to accept.

8. Non-performance

Buyer reserves the right to cancel the Orders or any portion of same by written communication, without prior notice, if delivery is not made when and as specified or in case of any other non-performance of the contract by Supplier, without any cancellation charge and without any liability or obligation on part of Buyer, it being expressly understood that time is of the essence in connection with the placement of the Orders and in scheduling and delivery of the Products.

9. Compensation

It is mutually agreed and approved that in addition to any other right and remedy exercisable in application of this contract, Buyer shall have the right to set off amounts equal to costs or damages incurred as a result of Supplier's breach of this Terms and Conditions, against any amounts due from Buyer to Supplier for any reason whatsoever.

10. Intellectual property rights

Supplier agrees to defend, protect and hold harmless Buyer, its successors, assigns, customers and buyers or users of its goods by reason of the use of the Products or Services against all suits at law and from all damages, claims and demands for actual or alleged infringement of, or inducement to infringe, any copyright, patent, design, drawing, trade mark

or trade name or other protected intellectual property right in any country, by reason of the manufacture, use or sale of the Products or Services ordered, including infringement which may arise out of compliance with specifications furnished by Buyer.
Supplier agrees to defend at its own expense, and at no expense to Buyer, any such claims, demands or any actions at law arising therefrom or at the option of Buyer to permit and assist Buyer in the defense thereof and to pay all reasonable attorneys fees, court costs and other expenses sustained by Buyer in the defense thereof.
Supplier shall guarantee that the sale or use of the Products or Services in any part of the world will not infringe any copyright, patent, design, drawing, trademark or trade name or any other protected intellectual property right. Supplier hereby grants to Buyer the right to repair or have repaired, to reconstruct or have reconstructed the Products ordered hereunder. Supplier hereby assigns to Buyer all right, title, interest in and to copyrights in any copyrightable Product created or produced for Buyer under the Orders.

11. General Warranty

Supplier expressly warrants to Buyer and to Buyer's final customer that all Services/Products supplied or sold under the Orders, will be in compliance with all specifications and drawings delivered to Supplier by Buyer or by Buyer's final customer (i), free from defects with respect to design, materials, and workmanship (ii), and manufactured in accordance with the quality criteria identified in Article 4 (iii). The aforesaid express warranties shall be in addition to any standard warranty or service guarantee requested by Buyer to Supplier. All warranties will survive inspection, installation, assembly, acceptance and payment by Buyer. All warranties shall be construed also as conditions and shall not be deemed to be exclusive. All warranties and service guarantees shall run both to Buyer and to its final customers. In the event Supplier delivers defective or nonconforming Products or otherwise breaches the terms of the Orders (a "Breach"), Buyer may, at its election and in addition to any other rights or remedies it may have pursuant to the Orders, at law or in equity, recover from Supplier any consequential damages incurred by Buyer as a result of such Breach. Furthermore, Buyer may, at its election and at Supplier's expense:

-(i) collect and/or return the Products;
-(ii) repair or have the Products repaired;
(v) require Supplier to promptly replace or correct the Products.

There will be an administrative fixed charge of forty-three euro (43€) assessed on a Debit Memo for each reporting of non-conformity to the Supplier (SNCF) processed. In addition,

for situations where labor hours of employees of Buyer are required to analyze, sort or rework Products documented as defective and if Supplier has been previously notified, labor cost recovery will be charged at forty-three-euro (43 €) per hour to the Supplier if done internally; if done by third parties (ex. customer) cost will be as resulting from the documentation provided.
In the event (i) Buyer, any of Buyer's customers, and/or any OEM determines that a recall campaign or owner notification program is necessary to comply with a law, regulation, order, or other government requirement, or (ii) within Buyer's reasonable exercise of its business judgement, such recall campaign or owner notification program is necessary for business purposes, costs, including but not limited to labor, transportation and traceability costs, shall be allocated to Supplier unless Supplier should be able to prove a willful misconduct of the Buyer. For the purposes of this contract, a recall campaign is defined as a systematic effort to locate Product that is in breach of Buyer's or Buyer's customers' and/or any automobile manufacturer's warranties or otherwise required to be recalled to inspect and correct or replace such Product or parts of Product as necessary.
In the event of any disagreement between Buyer and Supplier regarding apportionment of causal fault, this dispute, on the parties' agreement, shall be referred to arbitration to determine how fault shall be apportioned and the costs which may be recovered by Buyer for any loss or damage suffered.
Buyer reserves the right to reject any or all of the articles, assemblies or materials which do not fulfill the warranties above set forth. Such rejected articles, assemblies or materials shall be removed at the expense of Supplier promptly after notice or rejection. Supplier's warranty pursuant to this Terms and Conditions, and relevant Purchase Orders, shall continue in effect for the same period of time as any guarantee obligation of Buyer to Buyer's final customers.
Supplier shall transfer and assign to Buyer all of its rights (but not any obligations) under all warranties from equipment or material manufacturers or suppliers, permitted subcontractors, or other third parties. Notwithstanding any other provision of this Terms and Conditions, the responsibilities of the Supplier set forth in this article will survive termination of the contract.
Without prejudice to the above, Supplier undertakes to conclude, at its own expense, before executing the contract and for the entire duration thereof, an insurance policy covering all risks and extending worldwide which insures itself and Buyer against all damage, even of a patrimonial nature, unintentionally caused by persons and property connected with the supply, production or marketing of the Products under the agreement. Supplier undertakes to maintain the insurance policy valid and in force for the entire duration of the supply and for the three years following, whatever the reason for the termination.
Supplier undertakes to provide Buyer with a copy of the above insurance policy on an annual basis.
If, however, Buyer determinates that Supplier's insurance policy is incomplete or inadequate,

Buyer must inform Supplier in order to jointly assess the possibility of extending Buyer's policy to Supplier, charging to Supplier all the cost incurred for such operation.

12. Indemnification

Supplier shall indemnify, hold harmless and defend Buyer, and its respective present and future directors, officers, employees, and agents (each an "Indemnified Party" and together the "Indemnified Parties") from and against any and all claims, demands, losses, damages, liabilities, causes of action, and expenses (including, but not limited to, costs of defense, mediation, settlement, and reasonable attorneys' fees), and, including but not limited to, claims for death of or bodily injury to any person, or injury to or destruction of any property, if and to the extent such claims directly or indirectly relate to or arise out of or in connection with (i) any negligent or willful act or omission of Supplier, its subcontractors, agents, or employees; (ii) Supplier's, its subcontractors', agents' or employees' breach of any provision of this contract; or (iii) Supplier's, its subcontractors', agents' or employees' violation of governmental laws, regulations, guidelines, permits, or orders.
Supplier further agrees to hold Buyer harmless from any claim or expense, including reasonable defense costs, on account of any lien, attachment, or encumbrance filed or asserted by any laborers, material manufacturers, goods providers, or subcontractor used by Supplier related to Services under this contract and for any tax claims or liens filed on account of nonpayment of taxes by Supplier. Buyer disclaims and will not be liable for consequential damages incurred by Supplier.

13. Engineering, information, tools etc. and proprietary interests

All design, tools, patterns, drawings, information or other equipment supplied by Buyer, or if supplied by Supplier especially for the Orders, the cost, substantially all of the cost, of which is included in the price to be paid for materials ordered hereunder, and relating to, or for use in, the manufacture of materials sold hereunder shall remain the sole property of Buyer, and Supplier expressly agrees that the same will not be used in manufacture or design for the account of others, without prior written consent of Buyer. All such property of Buyer shall be returned to Buyer at termination, cancellation or completion of the Orders, unless Buyer shall otherwise direct in writing. All materials furnished by Buyer for the execution of the Orders (except that which becomes normal industrial waste) shall be returned in the form of parts or unused material and Supplier shall exercise reasonable care in the safeguarding of all such materials until so returned.

Supplier's spoiled or surplus material manufactured to Buyer's design must be so defaced or destroyed that it cannot be used for the purpose for which it was designed.
The use of the drawings, reports, specifications, trade secrets, processes, and/or other data furnished is strictly limited to the purpose for which it is transmitted. Rights to all ideas, and features of novelty or invention described in the data supplied, to the extent originating with Buyer, and all design, manufacturing, reproduction use and sales rights regarding the same, are the property of and reserved to Buyer. Supplier shall not, without prior written consent of Buyer disclose, reproduce, or use such data for any purposes other than those for which the material is supplied. Supplier commits itself to demand the same guarantees of its own suppliers.

14. Risk of loss and title transfer

Unless otherwise agreed, delivery of the Products, for the purpose of ascertaining compliance with the delivery terms and transferring the risk of damage to or loss of the goods from Supplier to Buyer, shall take place upon receipt of the goods at Purchaser's final receiving docks.

15. Assignment

Supplier may not assign the Orders, or any part thereof, without the prior written consent of Buyer.

16. Reliability

Supplier undertakes to deliver to Buyer, every six months, a copy of the financial statements for the current fiscal year, in order to allow an assessment of the company's state of health.

17. Cancellation for insolvency

Buyer may terminate the Contract without liability to Supplier by giving notice to Supplier at any time if (i) Supplier enters into negotiations with its creditors to conclude an out-of-court

settlement in order to avoid the opening of insolvency proceedings or becomes bankrupt or becomes subject to an administration order or goes into liquidation (otherwise than for the purpose of amalgamation or reconstruction); (ii) an encumbrancer takes possession of any of the property or assets of Supplier; (iii) Supplier ceases, or threatens to cease, to carry on business or ceases to be in a position to fulfil this Contract; (iv) Supplier refuses or is unable to meet sums due to Buyer when such sums fall due; (v) Supplier suffers any similar or analogous action in any jurisdiction; (vi) Buyer reasonably apprehends that any of the foregoing events is about to occur in relation to Supplier and notifies the Supplier accordingly.
Following termination, Supplier shall cooperate with Buyer to affect any alternative requirements of the Buyer in respect of the supply of the Goods and/or Services by a third-party supplier, including, without limitation, the transfer of any output Materials, tooling, specification or other documentation to Buyer or, at the Buyer's request, the third-party supplier.

18. Confidential

Without first obtaining the written consent of Buyer, Supplier shall not disclose any details connected with the Orders to any third party except as may be required to ensure performance and except as herein expressly specified.

19. Termination

Supplier agrees that Buyer may terminate work under these Terms and Conditions and relevant Orders, in whole or in part at any time by written notice to Supplier. In such case the following provisions shall control. Supplier shall cease all work, as to the terminated portion of the Orders, upon receiving actual notice of such termination and shall notify contractors to stop work. Buyer shall be liable to Supplier only for direct costs of such finished Products, work in process and raw materials as provided by the “Supply Logistic Agreement”. Buyer shall not under any circumstances be liable to Supplier for any amounts not specified by this paragraph, including but not limited to lost profits, lost opportunities and consequential or special damages.

20. Governing Law

This agreement shall be construed, governed, interpreted, and executed in accordance with the Italian laws. The Parties exclude the application of the United Nations Convention on Contracts for the international Sale of Goods (1980).

21. Jurisdiction

Any dispute arising out of or in connection with this agreement shall be referred to the exclusive competence of the Court of Bologna (Italy).

22. Severability clause

In the event any provision of these terms and conditions is found to be invalid, illegal or unenforceable, such provision shall be replaced or modified, in good faith, to the extent necessary to make such provision valid, legal and enforceable. If such modification or replacement is not possible, the nullity of one or more of the present clauses will not affect the validity of the others or the validity of the contract.