

C.T.R. S.r.l.
GENERAL TERMS OF PURCHASE
(June 2012 Edition)

1. DEFINITIONS

In these General Terms of Purchase the following terms are used with the meaning indicated below:

“CTR S.r.l.”: means CTR S.r.l. and all the companies, wherever they are located in the world, that are affiliated with CTR S.r.l. or are subsidiaries of this latter, in accordance with the terms of article 2359 of Italian Civil Law.

“Product(s)”: means any product supplied to CTR S.r.l. by the Supplier.

“Supplier”: means the company that is the recipient of a purchase order issued by CTR S.r.l..

2. FIELD OF APPLICATION

The General Terms of Purchase specified herein are applicable to all supply relationships between CTR S.r.l. and the Supplier, including relationships that are conducted telematically. In the event of conflicts or incompatibility between these General Terms of Purchase and the special provisions contained in specific Supply Contracts, said special conditions shall prevail in relation to the subject of the individual Supply Contract in question.

The Supplier declares that it accepts in full the present General Terms of Purchase, and herewith waives its entitlement to enforce, with regard to CTR S.r.l., its own General Terms of Sale, wherever such terms may be indicated. Any whatsoever modification or integration to the present General Terms of Purchase must be agreed in writing between CTR S.r.l. and the Supplier.

3. SUBJECT OF SUPPLIES

The Supplier undertakes to supply to CTR S.r.l., Products for Original Equipment, for Original Equipment Spares (O.E. - O.E.S.), and for sale as spare parts on the aftermarket (A.M.)

4. AMENDMENTS AND UPDATES

In the course of execution of any whatsoever relationship of supply, CTR S.r.l. will be entitled to request possible new models of Products made by the Supplier in replacement of the previous model.

The Supplier undertakes herewith to supply said new models of the Product to CTR S.r.l., further to a written agreement with this latter specifying the relative terms of payment.

During the course of execution of any whatsoever supply relationship, CTR S.R.L. will have the right to request possible adjustments and/or modifications to the Product, which the Supplier hereby undertakes to perform in respect of the timescales and economic aspects agreed in writing jointly with CTR S.R.L..

5. REFINEMENTS

The Supplier undertakes to communicate to CTR S.R.L. all technical refinements implemented on the Products.

In the event of refinement solutions that the Supplier patents, a license shall be awarded to CTR S.R.L. free of charge, except in the event in which the Supplier is able to prove that it has created the innovation in a completely independent manner, and not within the framework of research and/or experimentation and/or works anyway related to the execution of supplies on behalf of CTR S.R.L.. In this latter case CTR S.R.L. shall pay the Supplier an equitable sum for the license, further to written agreement.

6. TERMS OF DELIVERY AND PENALTIES

The terms of delivery agreed with the Supplier must be considered to be binding in the interests of CTR S.R.L., in compliance with the provisions of article 1457 of Italian Civil Law.

In any whatsoever case of lateness to deliver by the Supplier, such that cannot be attributed to any of the causes of force majeure listed in clause 13 of the present General Terms of Purchase, CTR S.R.L. shall have the faculty, further to written communication to the Supplier, to procure its components, either totally or partially, from alternative suppliers, and will be authorized to charge the Supplier for the increased expenses and costs that it is obliged to bear, providing appropriate documentary proof for such costs and expenses.

In any event, no prejudice shall be applied to the right of CTR S.R.L. to charge the Supplier an amount equal to 2% of the total value of Products not delivered, for every 5 working days of lateness, subject to the condition that the maximum amount of said charges, which are applied

time by time for each individual situation of lateness, shall not exceed the amount of 10% of the value of the Products that have not been delivered. Said maximum amount constitutes an estimate of the damages calculated in agreement between CTR S.R.L. and the Supplier, and does not prejudice the right of CTR S.R.L. to sue for greater damages and, in the event that the foregoing maximum amount is exceeded, to terminate the Product purchase order with immediate effect and by means of a simple communication, within the terms and provisions of article 1456 of Italian Civil Law.

The amounts payable by the Supplier to CTR S.R.L., deriving from the application of the penalties provided for in the present General Terms of Purchase, can be settled by the deduction from possible amounts payable by CTR S.R.L. to the Supplier deriving from supply relations in progress, even though such amounts may not be yet due.

7. PRODUCT GUARANTEES

7.1. QUANTITATIVE CONFORMITY

The Supplier guarantees the quantitative conformity of the Products, both in relation to the amount agreed and also the amount specified on the shipping list.

In the event that Product quantities should be found to be out of conformity with respect to the agreed amounts or the amounts specified on the shipping list, CTR S.R.L. shall be entitled to:

- (a) accept the quantitative differences with the faculty to modify accordingly, by increasing or decreasing, the quantities of any future supplies;
- (b) reject the part of the supply that is in excess, with the faculty, in the event that the Supplier fails to collect the products immediately, to ship the excess Products to the Supplier at the expense and risk of this latter, or to charge the Supplier for the costs of management and storage of such excess Products;
- (c) without prejudice to the provisions of the foregoing article 6, CTR S.R.L. shall further be entitled to request that the Supplier despatch the missing products immediately, with all increased charges or expenses to be borne by the Supplier. In such cases the Supplier undertakes to arrange for the immediate shipment of the missing Products.

7.2. QUALITATIVE CONFORMITY AND DEFECTIVENESS

The Supplier shall perform all the activities aimed at assuring appropriate levels of Product Quality, as described in the "CTR S.R.L. Supplies Quality Specification ("Quality Specification") and guarantees that the Products comply with the qualitative characteristics indicated in the Quality Specification.

CTR S.R.L. reserves the right to introduce changes to the contents of the Quality Specification wherever such action may become necessary in order to guarantee the specific quality standards of certain products which are indicated by CTR S.R.L. on a time by time basis.

CTR S.R.L. reserves the right to suspend the collection of Products if the tests designed to verify the reliability of the Products or the Supplier production process, indicated in the Quality Specification and in subsequent editions of the same, give negative results; the suspension can be upheld until such a time as the quality and reliability problems that have been detected have been totally solved.

In any event, the execution of checks and tests as per the Quality Specification and subsequent editions of the same will not attenuate nor otherwise modify the obligations of the Supplier aimed at maintaining and achieving the quality levels and targets required in accordance with the terms of specific Supply Contracts.

In the event that CTR S.R.L. should detect defectiveness of the Products either directly in its own plant or indirectly on the basis of communications from its Customer, it will communicate the same to the Supplier, with the maximum promptness, specifying the nature of the relative defect(s).

In such cases CTR S.R.L. shall be entitled to return said Products, charging the relative price to the Supplier, or repair them at its factory, once again charging the Supplier for all the relative total expenses, in compliance with the provisions of the Quality Specification and subsequent editions of the same.

8. CIVIL LIABILITY

If, during the use of any of the vehicles on which CTR S.R.L. has installed or has caused to be installed a Product supplied by its Supplier, there should occur an accident resulting in damage to property or injury to persons, it is agreed herewith that, if such an accident should be deemed attributable to a defective Product supplied to CTR S.R.L., the Supplier will hold harmless CTR S.R.L. from any lawsuit or claim advanced by third parties, and from any whatsoever charges or expenses that CTR S.R.L. may sustain in connection with or as a consequence of said lawsuits and/or claims.

9. TRADEMARK

The Supplier will apply the CTR S.R.L. trademark or other trademarks or distinctive logos that belong to CTR S.R.L. ("Trademark"), on original Products and/or packages, using the methods and in accordance with the instructions communicated to it by CTR S.R.L..

Such use of trademarks shall not give rise to any whatsoever claim of any type regarding entitlement to use the Trademark by the Supplier. Use of the Trademark by the Supplier must cease whenever such cessation is requested by CTR S.R.L. and, anyway, when the last shipment of the purchase order has been made.

10. DURATION OF THE SUPPLY OF SPARE PARTS

Once production of the Products has been terminated, the Supplier undertakes to continue to supply them for the spare parts market (A.M.) for a minimum period of 10 (ten) years from the date of said termination, at a price that is to be agreed in accordance with the last price paid for the Products destined for use as Original Equipment, the expected volumes of sales, and the supply batches requested by CTR S.R.L..

11. CTR S.R.L. PART NUMBERS

- (a) Products will be duly identified with the part number attributed to them by CTR S.R.L.. The Supplier acknowledges that said part numbers form part of a complex numerical system organized by CTR S.R.L., of which CTR S.R.L. remains the sole proprietor.
- (b) As a consequence, the Supplier will use said part numbers exclusively for the purposes of supplies executed in the framework of the present General Terms of Purchase, and undertakes herewith to terminate said use at the end of the period of supply. The Supplier further guarantees that an identical undertaking will be made and maintained by any distributors and/or sub-suppliers and/or auxiliary companies working with the Supplier.

12. CAUSES OF FORCE MAJEUR

The Supplier shall not be held responsible for possible lateness of supplies when such lateness is caused solely by natural disasters, civil unrest, nation-wide strikes and industrial action (when not previously announced and when unforeseeable by the Supplier), fire and other unforeseeable events that are completely beyond the Supplier's control.

If such a situation should occur, the Supplier must immediately notify CTR S.R.L., communicating the measures it has adopted to overcome such problems.

In any event, the parties herewith agree that possible breach of contract by sub-suppliers shall not constitute a cause of force majeure, unless such breach of contract is itself the result of one of the cases of force majeure indicated above.

13. LEGISLATIVE REGULATIONS

In the event that the Product is subject to Italian and/or another country's legislative regulations (regarding safety, anti-pollution laws, etc.), the Supplier is required to prepare specific documentation relative to the type approval and production processes, in which are evidenced, among other aspects, the methods utilized and the results obtained in the testing of the regulated characteristics.

Said documentation must be kept by the Supplier and must be submitted to CTR S.R.L. on the request of this latter.

The Supplier is required to impose identical obligations on its sub-suppliers in the case of components subject to legislative regulations.

14. TOOLS

14.1 TOOLS OWNED BY CTR S.R.L.

All tools owned by CTR S.R.L. and placed by this latter at the disposal of the Supplier to be used for the production of a supplied Product shall be marked with a serial number that is duly communicated to CTR S.R.L..

The tools must also be provided with identification nameplates supplied by CTR S.R.L. and shall always, without exception, be entered into the obligatory records kept by the Supplier, specifying that they are the sole property of CTR S.R.L. and are kept on the Supplier's premises on a temporary loan basis.

The use of such tools is granted to the Supplier by CTR S.R.L. on loan without payment, so no charges shall be levied on the Supplier for the use of CTR S.R.L. tools.

The Supplier shall use the tools owned by CTR S.R.L. solely for the manufacture of the Products. Any other use of said tools is expressly prohibited. If the Supplier fails to observe this obligation, CTR S.R.L. reserves the right to claim from the Supplier all direct and indirect damages considered to arise from such improper use of its property.

The tools must be returned on the simple request by CTR S.R.L., at any time and with no obligation of CTR S.R.L. to specify any whatsoever motivation.

The Supplier is required to perform routine maintenance of the CTR S.R.L. tools loaned to it, and is strictly prohibited from tampering with or altering them, except in the case of work performed connected with the improvement of its process / the Product, which shall be permitted solely on receipt of express written authorization from CTR S.R.L..

The Supplier must also take out, whenever requested to do so by CTR S.R.L., suitable insurance coverage of the tools against the risks of fire, theft, vandalism, natural disasters and tampering.

The Supplier must also store and use said tools with the maximum care, and shall not transfer them outside its plant unless specifically authorized to do so in writing by CTR S.R.L.. The Supplier shall not loan the tools to third parties unless specifically authorized to do so.

The Supplier shall allow the appointed representatives of CTR S.R.L. to check, during normal working hours, the methods of storage and utilization of CTR S.R.L. tools and their general condition of wear and tear.

It is agreed that in the event of early termination of contractual relations, the Supplier undertakes to return CTR S.R.L. tools under its own responsibility and at its own expense, shipping them carriage paid to the CTR S.R.L..

14.2 TOOLS OWNED BY THE SUPPLIER

In the event that the tools utilized by the Supplier to manufacture the Product are the sole property of the Supplier, CTR S.R.L. reserves the right, at the time of termination of the supply contract for any whatsoever motive, to purchase said tools from the Supplier for a price equal to their residual amortization value.

It is also agreed that in the event that the Supplier should be subject to bankruptcy proceedings, receivership or composition with creditors, CTR S.R.L. shall be entitled, after paying the amount equivalent to their residual amortization value, to collect such tools from the Supplier's plant without delay.

15. INDUSTRIAL PROPERTY

In proposing or agreeing to study and/or adopt a Product for CTR S.R.L. or to supply a Product to this latter, the Supplier is required to inform CTR S.R.L. in advance and in writing, if the Product in question is covered by any industrial property rights and under what title the Product is registered.

Failure of the Supplier to provide prior communication of such circumstances shall be automatically interpreted as a waiver of the Supplier's right to enforce its industrial property rights in relation to third parties.

Unless otherwise agreed at the time in which the study and/or adaptation and/or supply of the part is proposed or accepted by the Supplier, and without prejudice to the rights of the Supplier deriving from its industrial property rights communicated to CTR S.R.L., in the event in which, in connection with research, design, experimentation or development works performed in relation to a product destined for use by CTR S.R.L., the Supplier should make inventions, whether or not patentable, it shall communicate such circumstances to CTR S.R.L. and, on the request of this latter, it shall submit to CTR S.R.L. all the relative documentation and information necessary or useful for the relative implementation in production of the idea or invention.

The relative industrial property rights deriving from such inventions shall be automatically granted to CTR S.R.L. under license for production purposes (either direct production or production performed by third parties) and for use in Italy and other countries.

The Supplier undertakes, whenever so requested by CTR S.R.L., to apply for patent rights in respect of the invention in Italy and in the most important world countries, or alternatively to permit CTR S.R.L. to execute this procedure on behalf of and in the name of the Supplier.

If the invention that is the subject of the industrial property rights is created by the Supplier in a manner that can be proven to be fully independent, without recourse to the information, documentation or technical collaboration of CTR S.R.L., this latter shall pay an equitable fee for use of the relative license.

In the event that the research, design, experimentation or development work is performed by the Supplier in the execution of a specific assignment of CTR S.R.L., the resulting inventions or industrial property rights, drawings, and technical results in general, shall be the sole property of CTR S.R.L..

16. EXPRESS TERMINATION CLAUSE

16.1 CTR S.R.L. shall be entitled to cancel all supply relationships regulated by the present General Terms if the Product should fail to comply with the technical or qualitative requisites agreed upon, or if the Supplier should be in breach of even one of the provisions specified under "Amendments and Updates" (art. 4), "Qualitative Conformity and Defectiveness" (art. 7.2), "Terms of Delivery and Penalties", (art.6 letter c), "Industrial Property" (art. 15), "Tools" (art. 14), "CTR S.R.L. Part Numbers" (art. 11), "Trademark" (art.9), "Assignment of debts" (art. 19).

16.2 CTR S.R.L. shall also be entitled to cancel the Contract of Supply currently in progress by means solely of 30 days advance notification in the event that it has notified the Supplier in writing of this latter's non-fulfilment of the terms of one of the articles of the present General Terms of Purchase, other than those indicated in the previous point, and that the Supplier has not remedied said non-fulfilment within a period of 60 days from the time of said notification.

16.3 CTR S.R.L. also reserves the right to execute early termination of any Contract of Supply in existence with the Supplier in the following circumstances:

- if another company should purchase majority shareholdings or acquire control of the Supplier company, in accordance with the meanings specified by article 2359 of Italian Civil Law, it being agreed herewith that the Supplier undertakes to communicate such an event to CTR S.R.L. within a period of 60 days from the time of its occurrence;
- the Supplier should be subjected to bankruptcy proceeding, receivership or compositions with its creditors.

In all cases, cancellation of Contracts of Supply will take place by simple notification to the Supplier of the decision of CTR S.R.L., without prejudice to the rights of this latter to claim compensation for any damages suffered.

Early termination of Contracts of Supply, occurring as a consequence of any of the situations described above, shall not give rise to any form of responsibility of CTR S.R.L. with regard to the Supplier.

17. CONFIDENTIALITY CLAUSE

Any reserved information, such as, solely by way of example, drafts and/or final drawings of projects, plans, technical specifications, documents in general and other data, that is communicated in writing either on paper, using an electronic information retrieval and storage system, or verbally by either of the parties in relation to the Contract and/or Contracts of Supply, and which has been specified as being of a confidential nature, must remain confidential and reserved in compliance with the provisions of the present Article.

The parties undertake not to disclose to others, including sub-suppliers, the terms and conditions of the Contract and Contracts of Supply, except for cases in which said disclosure is obligatory in accordance with the law or is authorized in writing by the owner of the confidential information.

Each of the parties undertakes to inform the other party in writing of the occurrence of any event that will result in the disclosure of confidential information, said notification being made at least 15 (fifteen) days in advance with respect to the date of disclosure. It is anyway agreed that, even in the event of disclosure, each of the parties will adopt the all the precautions necessary to minimize any negative effects deriving from the disclosure of such confidential information.

Each of the parties undertakes not to reproduce, utilize, or exploit in any way, confidential information, trademarks, emblems or patents belonging to the other party, with the exception of reproductions and uses that are agreed in writing beforehand.

18. TRANSFER OF CONTRACTS

CTR S.R.L. is entitled to transfer any Contract of Supply and purchase order existing with the Supplier to any other company that is a member of DENSO Group.

19. ASSIGNMENT OF DEBTS

It is expressly forbidden to the Supplier any assignment of present and/or future debts or factoring, except such operations have been agreed in writing with CTR S.r.l. in advance. In case CTR S.r.l. receives notice of assignment of debts and/or factoring whatsoever carried out by the Supplier without the above prior written agreement, CTR S.r.l. shall have the right to immediately cancel all the supply relationships with the Supplier.

20. TREATMENT OF PERSONAL DATA

The Supplier and CTR S.R.L. agree, within the terms of Italian D. lgs. 196/2003, and to all effects of said Law, to allow the treatment of their personal data by the other party, provided that said treatment regards exclusively the purposes of the execution of the relationship of supply and is carried out in full observance of the provisions of the foregoing law and any other legislation regarding the protection of personal data such as may be in force on separate occasions.

21. COURT OF JURISDICTION

Any disputes or controversies regarding the validity, execution, termination, or interpretation of these General Terms of Purchase shall be referred to the exclusive competence of the Parma Court of Law.

22. APPLICABLE LAW

All relationships covered by the present General Terms of Purchase are regulated and disciplined by Italian Law, any reference to United Nations Convention on Contracts for the International Sale of Goods (1980) being excluded.

Parma, _____

The Supplier _____

Within the terms of and to the effect of the contents of article 1341 of Italian Civil Law, the Supplier expressly approves and accepts the following articles:

2 (Field of application); 6 (Terms of delivery and penalties); 7 (Product guarantees); 8 (Civil liability); 12 (Stocks); 14.2 (Tools owned by the Supplier); 15 (Industrial property); 16 (Express termination clause); 18 (Transfer of contracts); 19 (Assignment of debts); 20 (Treatment of personal data); 21 (Court of jurisdiction); 22 (Applicable law).

The Supplier _____