

REQUIREMENTS OF THE INSURANCE POLICY FOR PROVIDERS OF DIRECT PRODUCTS TO CARRARO GROUP

The Supplier will enter into, and take effective for the entire duration of the Supply Agreement, an adequate insurance policy to cover the risks linked to the potential defects found in the products supplied to Carraro Group, in compliance with the requirements set out below.

1. The policy must be taken out with a leading Insurance Company accepted by Carraro Group;
2. The policy must cover the risks Third Party Liability, Products Liability with recall and a limit of no less than the following thresholds: Third Party Liability: € 10,000,000.00; Products Liability Rest of the world: € 10,000,000.00; Product Liability USA and Canada: € 5,000,000.00; Recall Worldwide: € 5.000.000,00; limits are for each and every loss and per insurance year, for damage to persons or property.
3. The coverage must also provide the following extensions:
 - a) Interruption / suspension activities of third parties (including line stop at establishments Carraro and/or end users);
 - b) Claim from accidental pollution;
 - c) Direct and indirect recall, including transport costs;
 - d) Restoration costs, assembly / disassembly, including transport costs;
 - e) Extension USA and Canada, at least for indirect/occult export;
 - f) Retroactivity for products Liability: from the date of the first waybill of delivery to Carraro Group;
 - g) Retroactivity for Liability Recall:
 - i. to market products Rest of the world, from the date of the first waybill of delivery to Carraro Group
 - ii. for products destined to the USA and Canada, 5 years before the effect date of the policy.
4. **Deductibles** and/or S.I.R. or maximum coinsurance applied to insurance coverage shall not exceed the sum of € 100,000.00. These deductibles and/or S.I.R. or maximum coinsurance can't be otherwise attributable to the group Carraro SpA.
5. **FIRST ISSUE.** Within 15 days from the signing of the contract and in any case before the start of the supply, the Supplier must deliver to Carraro an Insurance Certificate(s), also in excerpt, of Insurance Company in dual Italian or English language that bears:
 - a) Insurance coverage, according to the point 2;
 - b) Deductibles applied to each item;
 - c) The inception and expiry of insurance policy and effective insurance period coverage if different;
 - d) The retroactivity of the policy if provided;
 - e) The proof of payment and effectiveness of the policy (including any adjustments premium if required by any insurance policy clause).
6. **RENEWAL OF POLICY:** Within 30 days from the renewal expiring date or the expiry of the instalment(s), the Supplier shall provide to Carraro SpA copy of the payment receipt and, at the renewal expiring date, a new Insurance Certificate / Extract insurance in two languages, Italian and English, similar to the previous one.

- 7.** Supplier's Insurance shall:
 - a) not be invalidated by any breach of a policy term by the Supplier, including a failure to pay any premium due, without the insurer first giving at least ten (10) Business Days' notice to the Supplier to cure the breach, and copying the notice to Carraro Spa;
 - b) not be rescinded or avoided as a result of any innocent or negligent non-disclosure and/or misrepresentation of facts by the Supplier or any agent of the Supplier; and
 - c) be provided by an insurer of sound financial standing and good reputation within the UE or USA insurance market.
- 8.** The Supplier shall procure that the Supplier's Insurances in respect of public and products liability shall each contain an indemnity to principal clause under which Carraro shall be indemnified under such insurances in respect of claims made against Carraro and which arise from the provision by the Supplier of the Products and/or Services supplied hereunder.
- 9.** Waivers or amendments to the conditions here above can be introduced only by a written authorization by Carraro Group.

Supplier:

Signature / Stamp:

Date: