

GENERAL TERMS AND CONDITIONS OF PURCHASE OF SPARE PARTS AND ACCESSORIES
(Ed. April 2016)

These General Terms and Conditions of Purchase (the “**Conditions**”) are hereby executed on this day _____,
by and between

“**PIAGGIO & C. S.p.A.**” with registered office in Pontedera (Pisa), Viale R. Piaggio 25, share capital Euro 205,941,272.16, registered in the Register of Companies of Pisa with Tax Code 04773200011, VAT No. 01551260506, Pisa Economic and Administrative Index No.134077, subject to management and coordination of Immsi S.p.A, in the person of its legal representative with special power of attorney, Mr. Diego Graffi, (hereinafter “**Piaggio**”)

- on the one part -

and

....., with registered office in, VAT registration no.,
registered with the ... Register of Companies no. (hereinafter the “**Supplier**”)

- on the other part-

Hereinafter Piaggio and the Supplier shall be referred to severally as the “**Party**” and jointly as the “**Parties**”.

ARTICLE I - DEFINITIONS; ANNEXES

1.1 In addition to the definitions provided in other clauses of these Conditions, the following terms appearing with an initial capital letter shall have the following meanings:

- “**Accessories**”: components which are not a part of the Products supplied to Piaggio under the Orders it issues (as defined hereunder);
- “**Authority**”: any Italian or foreign authority (including, without any limitation whatsoever, Community authorities), with judicial, legislative, executive or administrative powers or capacities;
- “**Customer**”: This means Customers to which Piaggio supplies the Product, by way of example but without limitation, dealers, importers, etc.
- “**Supply Contract**”: the supply contract made by and between Piaggio and the Supplier for the supply of Spare Parts and/or Accessories, executed as required in accordance with the provisions of Article 3.2 hereof;
- “**Intellectual Property Rights**”: all intellectual and industrial property rights, including, without any limitation whatsoever, patent rights for inventions, designs, utility models, know-how, trademarks distinguishing products or services, proprietary rights to drawings, names, signage, business names, designations and unregistered trademarks, present and future copyright, whether registered or not, and any application or registration connected with the foregoing rights, along with trade secrets, confidentiality rights and any other right or form of protection of a similar nature or affording equivalent protection;
- “**Technical Information**”: all information, technical specifications (including Technical Specifications as defined hereinafter), reports, worksheets, projects, models, technical and technological know-how, whether patentable or not, of any kind and any format whatsoever, belonging to Piaggio, and disclosed or made available to the Supplier for the purposes of manufacturing, designing, testing, developing and/or supplying the Products and relative prototypes to Piaggio, including, without any limitation whatsoever;
- “**Laws**”: all statutory, regulatory and administrative provisions, whether Italian or foreign (including, without any limitation whatsoever, Community provisions), in force at the time, along with any administrative or judicial order issued by any Authority;
- “**Materials**”: any material and/or component used in the manufacture of Spare parts and Accessories.
- “**Order**” means the request sent by Piaggio to the Supplier inserted according to the order procedure in the ISO quality manual, for the purchase of the corresponding Spare Parts and Accessories. Orders may be “Closed” if referring to volumes and delivery schedules set forth in the Order itself, or “Open” (also known as supply lists) if referring to ongoing supplies of the Products for which volumes and delivery schedules are not set forth in the Order;
- “**Entity**”: any natural or legal entity, joint-stock company, partnership, company branch, association, joint venture, consortium, incorporated or unincorporated enterprise, public body or local authority, or administrative division thereof;
- “**Delivery Schedule**” means the delivery schedule for Spare Parts and/or Accessories of an Open Order;
- “**Products**” means Spare Parts and/or Accessories subject of the Supply Contract, also defined as Spare Parts and/or Accessories
- “**Representatives**”: with reference to any Entity, each of the managers, directors, partners, employees, agents, legal, accounting, financial and other advisors, financial partners or other Entity associated with or acting on behalf of the former;

- “Spare Parts”: means spare parts, the supply of which the Supplier shall guarantee to Piaggio according to the terms of these Conditions;

1.2 The Annexes listed hereunder shall be incorporated into these Conditions:

- Annex 1: Spare Parts and Accessories Quality;
- Section 1.1.- Product Quality at zero time;
- Section 1.2.- – Product defectiveness on field;
- Annex 2: Spare Parts and Accessories Supply and Logistics;
- Annex 3: Samples and Prototypes for approval;

1.3 Piaggio reserves the right to revise the Annexes on a regular basis, notifying the Supplier thereof in writing. Revised Annexes shall be deemed accepted by the Supplier where no written notice of non-acceptance is served by the Supplier within 15 (fifteen) days of receipt of the aforesaid notice.

ARTICLE II – PURPOSE

2.1 These Conditions set forth the general terms and conditions for all dealings between Piaggio and the Supplier regarding the supply of Spare Parts and/or Accessories to Piaggio.

2.2 These Conditions apply to each and every Supply Contract, also where express reference hereto is not made. The Parties may accept and set forth in writing special supply conditions. In the event that any such special conditions should conflict with the provisions of these Conditions, priority shall be given in the following order to the conditions provided in: a) the Order; and b) the Conditions.

2.3 It is hereby agreed that the execution of these Conditions by the Supplier shall in no way require Piaggio to engage the Supplier for the supply of Spare Parts and/or Accessories until specific Supply Contracts are executed by and between the Parties in accordance with Article 3.2 hereunder.

ARTICLE III - FORMATION OF SUPPLY CONTRACT

3.1 Piaggio will send the Supplier Orders by post, by fax or e-mail, containing specific indication of:

- i) the technical, quality and functional characteristics of the Products (“**Technical Specifications**”);
- ii) the marking, packaging, labeling and identification requirements with specific Spare Parts and/or Accessories codes;
- iii) the price of each Product and the terms of payment;
- iv) any further special conditions of supply, also in departure from these General Terms and Conditions of Purchase;
- v) the quantity of the requested Products;
- vi) the terms of return, terms and method of delivery.

In the case of Open Orders, the information identified in point v) above will not be provided. Piaggio will notify the Supplier of the quantity of the Products requested and the relative Delivery Schedule in accordance with the procedures identified in **Annex 2 (“Spare Parts and Accessories Supply and Logistics”)**.

3.2 Acceptance by the Supplier of an Order issued by Piaggio will constitute execution of a Supply Contract. The Order will be deemed accepted where the Supplier:

- i) notifies Piaggio of its acceptance by post, facsimile or electronic mail or does not notify Piaggio of its non-acceptance within 5 (five) business days from receipt of the Order;
- ii) commences performance of the Order without requesting, in a form contemplated in point i) above, the amendment of a part of the Order.

ARTICLE IV – EXCLUSIVE RIGHTS

4.1 From time to time the Parties may enter into arrangements as required for the exclusive supply of the Spare Parts and/or Accessories to Piaggio. Under such arrangements, the Supplier undertakes to manufacture the same exclusively in the interests and on behalf of Piaggio, to supply them exclusively to Piaggio, and to not manufacture, distribute, market and/or sell the Products regulated by the Supply Contract, on its own behalf or on behalf of others, either directly or indirectly, to any Entity whatsoever.

4.2 It is hereby agreed that any exclusive arrangements made in accordance with Article 4.1 will only be made in favor of Piaggio which, in compliance with the intellectual property of the Parties, will be free to purchase the Products from other suppliers besides the Supplier or to manufacture the Products itself, without incurring any obligation and/or liability towards the Supplier.

ARTICLE V – PRODUCTION

5.1 The manufacture of Spare Parts and/or Accessories shall be carried out by the Supplier at its production sites and on its premises or at the production sites of any subcontractors for which the Supplier is guarantor

and responsible towards Piaggio and in accordance with the Technical Specifications attached to each Order or separately notified by Piaggio.

In this regard, the Supplier may subcontract, in whole or in part, the manufacture of Products both in Italy and abroad on the understanding that, in such cases, the Supplier shall obtain from each subcontractor the undertaking to: (i) not use, directly and/or indirectly, drawings, models, prototypes, photographs and moulds created for production of the Products covered by this Contract in a manner detrimental to the intellectual property rights licensed to the Supplier and (ii) not to manufacture, directly or indirectly, the Products for any person other than the Supplier.

- 5.2. Piaggio will be entitled to access the sites of the Supplier, and of its subcontractors and/or sub-suppliers, giving 2 (two) days' notice thereof, during the normal business hours of the Supplier and in any case without disrupting in any way the business of the Supplier and of its subcontractors and/or sub-suppliers, either directly or via its Representatives, for the purposes of inspecting and checking due compliance with the obligations binding on the Supplier under the Supply Contract.

ARTICLE VI - LABELING AND PACKAGING

- 6.1 The Products are to be marked, packaged, labeled and identified by the Supplier in accordance with the instructions provided by Piaggio and attached to the Order. Where no such instructions are provided by Piaggio, the Products will be packaged in accordance with market best practices and in such a way as to ensure the protection and integrity of the Products, and will be identified by a tag, where possible meeting the ODETTE standard (210x148), attached in a suitable manner to the freight unit and containing the following information: (i) the identification code of the Supplier; (ii) the identification code of the Products; (iii) the quantity of the Products contained in the packaging unit; and (iv) traceability information (normally the lot number and manufacturing date) if the Products are safety Products.
- 6.2 The Products will be accompanied by a consignment note, in the number of copies requested by Piaggio, specifying the following information: (i) the serial or identification number of reference Technical Information; (ii) the Supplier's details; (iii) the type, description and identification code of the delivered Products; (iv) the shipping date; (v) the Order number and details; (vi) the quantity of the Products in the lot shipped; (vii) the number of packages shipped; and (viii) any other information or indication specified in the Order. Each consignment note shall only refer to Products ordered under one Order.

ARTICLE VII – SUPPLY LOGISTICS; DELIVERY

- 7.1 The Products shall be supplied to Piaggio in accordance with the methods, terms and conditions specified in **Annex 2 (“Spare Parts and Accessories Supply and Logistic”)** and in the Order.
- 7.2 The Products shall be delivered by the Supplier in accordance with the methods, terms and conditions of return set forth in the Order. Where no explicit instructions are provided in the Order, the Products will be delivered directly to the Piaggio destination site, ex Warehouse.
- 7.3 Ownership of the Products is understood to be transferred upon delivery of the Products c/o the Piaggio destination Warehouse, unless otherwise provided by the delivery terms agreed; All risks connected with the damage and/or loss of the Products will be transferred to Piaggio upon delivery of the Products, under the terms and conditions of return applicable.
- 7.4 The Parties hereby agree that any failure by the Supplier to comply with the terms of delivery of the Products set forth in the Order, in the case of a Closed Order, or in the Delivery Schedule, in the case of an Open Order (the "**Delivery Date**"), will be considered serious breach of the Supply Contract. Without prejudice to the provisions of Article 17.2 hereof, where the Delivery Date of the Products is not met, Piaggio shall be entitled to (i) terminate the Supply Contract in accordance with Article 18.1 hereof, or (ii) demand performance of the Supply Contract in any case, without prejudice to claiming compensation for damages.
- 7.5 In the event of early delivery, Piaggio may choose to (i) return the Products received to the Supplier, at the expense and risk of the latter, and charge the Supplier any storage costs incurred, or (ii) accept delivery of the Products without amendment to the payment terms.
- 7.6 Piaggio will be entitled to inspect all the Products upon delivery to verify their quality and conformity with the Order. Under no circumstances may the taking of delivery of the Products be construed as implicit clearance confirming conformity of the Products, or as an impediment to future claims or the exercise by Piaggio of the rights contemplated in these Conditions and/or by law.
- 7.7 Where the Products and/or Accessories and/or Spare Parts are found by Piaggio to not conform to the quantities specified in the Closed Order or in the Delivery Schedule, in the case of an Open Order, Piaggio will notify the Supplier thereof in writing and may, at its own discretion:
- (i) accept the difference in quantities found and amend the Closed Order or Delivery Schedule accordingly;

- (ii) not accept partial supplies or excess supplies with respect to the supplies agreed on and, where the Supplier does not arrange for immediate collection, return said partial or excess supplies to the Supplier at the expense and risk of the latter, and charge the Supplier any storage costs incurred;
- (iii) notify the Supplier to remedy the delivery fault through an additional supply of missing Products in a manner to be agreed with Piaggio.

ARTICLE VIII - PRODUCT CHARACTERISTICS

- 8.1 The Supplier undertakes to supply the Products in accordance with the Order.
- 8.2 The Supplier may not make changes to the Products or the characteristics agreed with Piaggio without the prior written consent of the latter.

ARTICLE IX - APPROVALS and/or AUTHORIZATIONS

- 9.1 Where approval certificates or other authorizations are required in relation to the Spare Parts and/or Accessories, the foregoing shall be obtained by the Supplier at its own expense and responsibility, and in its own name as manufacturer of the Products. The Supplier shall therefore be responsible for satisfying all the formalities necessary to obtain the type approval certificates and/or Authorizations required for the Products.
- 9.2 The Supplier undertakes to provide Piaggio with suitable written evidence attesting the details of the type approval certificates and/or Authorizations requested and obtained in relation to the Spare Parts and/or Accessories to be supplied to Piaggio.

ARTICLE X - PRODUCT WARRANTY

- 10.1 Without prejudice to statutory warranties required by law, the Supplier warrants that the Spare Parts/Accessories are in proper working order and:
 - i) are free of any Material or manufacturing faults or defects;
 - ii) are free of any design flaws;
 - iii) are executed according to best practice and in accordance with the Technical Specifications and the Order.Accordingly, the Supplier shall be required to adopt and maintain production tools and processes able to guarantee the ongoing reliability and quality of the Spare Parts/Accessories.
- 10.2 Unless otherwise agreed in writing, the warranty as of Article 10.1 i) and iii) above shall be valid until the lapse of the following term: 24 (twenty-four) months from the date of delivery of each product to Piaggio. In relation to design flaws as of Article 10.1 ii) hereof or Spare Parts/Accessories to be defined as "*safety Products*" as identified by Piaggio (Products classified CF1/CF1D), the warranty shall be extended to cover the entire life of the Piaggio vehicle on which the Products are incorporated.
- 10.3 Piaggio shall notify the Supplier in writing of any faults and/or defects and/or non-conformities as of Article 10.1 within 60 (sixty) days of their identification. Without prejudice to any further remedies contemplated by law, Piaggio may at its discretion demand (i) the repair of the faulty and/or non-conforming Products or (ii) the replacement, at the expense and responsibility of the Supplier, of the Products in a timely manner and in any case no later than 15 (fifteen) days following receipt of the notice as above. iii) Should replacement not be possible, the Parties shall agree return with re-invoicing. In any case, the Supplier shall indemnify Piaggio against any charge, cost, expense and/or damage arising in connection with faults and/or defects and/or non-conformity of the Products, including the costs contemplated in Annex 1 (Section 1 and Section 2).
- 10.4 The Supplier shall adopt and implement Product traceability systems in compliance with the instructions provided in the Technical Information.
- 10.5 For the specific procedures, terms and conditions governing quality standards and warranties during and after the "time zero" period, the provisions of Annex 1 (Section 1 and Section 2) shall apply, both of which shall be incorporated into the Supply Contract.

ARTICLE XI – PRODUCT LIABILITY; RECALL CAMPAIGNS; INSURANCE

- 11.1 Even after the end of the warranty period as of Article 10.2 hereof, the Supplier, without prejudice to its liability towards third parties for damages sustained and towards Authorities, shall indemnify and hold Piaggio harmless against any cost, expense and/or damage directly attributable to Supplier's conduct (including sanctions and/or administrative, legal and/or court costs) borne by Piaggio in relation to any third party claims, including any claims by judicial and/or administrative authorities, arising from defects of the Spare Parts/Accessories with regard to lack of reliability and safety of the same and/or their non-compliance with Laws. Piaggio shall notify the Supplier without delay of any founded third party claims connected with defects, non-conformities or lack of reliability of the Spare Parts/Accessories.
- 11.2 The liability contemplated in Article 11.1 above is also extended to cover any recall, withdrawal and/or repair campaign that Piaggio conducts on its end products as a result of the aforesaid defects, failed

reliability and/or non-conformity of the Products/Spare Parts. Where the Supplier learns of any potential defects in the Products/Spare Parts that may jeopardize the safety, quality and/or reliability of the Products/Spare Parts, the Supplier will notify Piaggio of said defects without delay, and co-operate fully in every way to identify the faulty Products/Spare Parts and arrange for their replacement and/or repair. The Supplier will be required to provide Piaggio, at its own expense and responsibility, with the replacement of the Products required to conduct the recall, withdrawal and/or repair campaign, and will reimburse Piaggio all costs and charges incurred as a consequence of the defects, failed reliability and/or non-conformity of the Products/Spare Parts or their parts, including disassembly and assembly costs, unless otherwise agreed in writing by the Parties.

- 11.3 For Accessories and/or Spare Parts defined CF1/CF1D safety products, the Supplier undertakes to arrange and maintain at its own cost insurance cover with a premier insurance company for the entire duration of the supply relationship plus a term of at least 2 (two) years following the delivery date of the last Product delivered to Piaggio, which will cover the Supplier's liability towards Piaggio and towards third parties in accordance with Articles 11.1 and 11.2 hereof, for a maximum limit of liability which shall be communicated by Piaggio to the Supplier before signing this Contract. The Supplier undertakes to provide Piaggio with a copy of the policy agreement and to ensure that the insurance cover is valid and effective for the entire duration of the supply relationship. Piaggio shall be entitled to assess the suitability of the insurance cover afforded and demand amendments where the insurance policy is found not to comply with the provisions of Article 11.3. herein. It is hereby agreed that if, prior to the date of execution of these Conditions, the Supplier already has insurance cover that satisfies the foregoing terms and conditions, evidence of the policy agreement is to be provided to Piaggio, without prejudice to the right of Piaggio to demand amendments thereto.

ARTICLE XII – PRICES; INVOICES; PAYMENTS

- 12.1 The Spare Parts and/or Accessories shall be charged at the prices specified in the Order, which are considered fixed and inclusive of all costs, including packaging, labeling, freight and delivery costs. Any price variations due to increases in the cost of raw materials or their production shall be agreed in writing by the Parties.
- 12.2 For each lot of Spare Parts and/or Accessories delivered to Piaggio, the Supplier shall send Piaggio the relative invoice according to terms and procedures set forth in the Order. Each invoice shall specify: (i) the Order number and number of relative consignments made; (ii) the type and description of the Spare Parts and/or Accessories delivered (providing they are taxable at the same VAT rate); and (iii) the payment terms.
- 12.3 Piaggio will pay to the Supplier all amounts due as agreed by the Parties, in accordance with the terms and procedures set forth in the Order. It is hereby agreed that the payment of amounts due for the Products may not be construed as implicit clearance confirming conformity of the Products to the terms and conditions agreed by the Parties, or as an impediment to future claims or the exercise by Piaggio of the rights contemplated in these Conditions and/or by law.

ARTICLE XIII TERMINATION OF PRODUCTION; SPARE PARTS

- 13.1 In the event the Supplier decides to discontinue manufacture of the Products, the Supplier shall notify Piaggio thereof in writing without delay, without prejudice to the obligation to supply binding on the Supplier under each Supply Contract. Piaggio will be entitled in any case to demand that the Supplier continues supplying the Products at the terms and conditions applicable at the time the notice of discontinuation is served, for a period of not less than six months, unless otherwise agreed in writing by the Parties.
- 13.2 For the entire duration of the supply relationship plus a further term of 10 (ten) years following termination of the relationship for any reason whatsoever, the Supplier undertakes to provide Piaggio, upon request of the latter, with Spare Parts according to the terms and procedures set forth in **Annex 2** of this Contract ("**Spare Parts and Accessories Supply and Logistics**") and in each individual Order.

ARTICLE XIV OCCUPATIONAL HEALTH AND SAFETY LAWS

- 14.1 In its performance of the Supply Contract, the Supplier shall comply with all laws in force governing employment, the environment and occupational health and safety. Specifically, the Supplier hereby warrants that:
- a) the statutory, remuneration and social security requirements set forth by law and in collective bargaining agreements in force will be fulfilled for all personnel engaged in the performance of the Supply Contract;
 - b) said personnel will be insured on a workers' compensation scheme in accordance with applicable laws in force;

c) contractual activities will be performed in full compliance with laws in force – including codes of practice issued by standard setters – governing environmental protection, occupational health and safety and accident prevention (including *inter alia* Italian Legislative Decree no. 81/2008), and in any case in conditions of ongoing occupational health and safety.

Upon request by Piaggio, the Supplier shall send Piaggio all information and documentary evidence attesting its compliance with the laws as of Article 14.1 hereof.

- 14.2 Where activities are performed in whole or in part at Piaggio sites, the Supplier will comply with the obligations set forth in Article 26 *et seq.* of Italian Legislative Decree no. 81/2008, and will provide Piaggio with all suitable information and documentary evidence attesting compliance with said obligations, including: i) the technical and professional qualification of the Supplier; (ii) the risks connected with work performed by the Supplier; and (iii) the safety costs. The Supplier also undertakes to comply – and ensure compliance, in accordance with Article 1381 of the Italian Civil Code, on the part of its employees and any other third party involved by the Supplier in the performance of the Supply Contract – with the instructions contained in the interference risk assessment document prepared by Piaggio in accordance with Article 26 (3) of Italian Legislative Decree no. 81/2008 (“Piaggio Safety Instructions”), to be provided by Piaggio to the Supplier, and in general with all laws, procedures, regulations and rules in force at Piaggio sites where contractual work is performed.
- 14.3 The Supplier will indemnify and hold Piaggio harmless against any claim raised by any party, including the Supplier's employees, in relation to the foregoing warranties.

ARTICLE XV ENVIRONMENTAL PROTECTION LAWS

- 15.1 The Supplier hereby represents and warrants (i) that all Products comply with the provisions of Regulation (EC) no. 842/2006 on certain fluorinated greenhouse gases, of Regulation (EC) no. 1907/2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), and Regulation (EC) no. 1005/2009 on substances that deplete the ozone layer and amendments thereto, and any other applicable environmental protection laws, and (ii) that the Supplier has fulfilled all the obligations required under the regulations herein.
- 15.2 The Supplier undertakes to notify Piaggio without delay of any restrictions ordered on the use or sale of the Products and/or their relative components and, upon request by Piaggio, of any other information concerning (i) the conformity of the Products in accordance with 15.1 hereof, and (ii) the compliance of the Supplier with requirements of applicable laws.
- 15.3 Where restrictions or prohibitions on use are imposed on the Products or their components during the supply relationship, the Supplier shall also propose to Piaggio, within a reasonable amount of time though no later than 1 (one) month following the decision to withdraw the Products, a replacement product to be assessed and approved by Piaggio. Subject to approval by Piaggio, supply of the replacement product will be subject to the same terms and conditions of supply as the Product, unless otherwise agreed in writing by the Parties.
- 15.4 In the event that the representations made by the Supplier in accordance with Article 15.1 hereof are proven false, Piaggio will also be entitled to terminate the supply relationship with immediate effect by serving written notice thereof on the Supplier, without prejudice to its right to seek any other remedy contemplated by law. In any case, the Supplier will indemnify and hold Piaggio harmless against any cost, expense, damage, sanction and/or other adverse effect borne by Piaggio in relation to any third party claims, including claims by judicial and/or administrative authorities, arising from misrepresentations made by the Supplier in accordance with Article 15.1 hereof or from the failure of the Supplier to comply with obligations binding under the regulations cited.

ARTICLE XVI - INTELLECTUAL PROPERTY RIGHTS; CONFIDENTIALITY; TRADEMARKS

- 16.1 Before any Order may be accepted, the Supplier shall notify Piaggio in writing of any Intellectual Property Rights held by the Supplier. Failure to notify any such rights shall be construed as a waiver by the Supplier of the right to enforce its Intellectual Property Rights against Piaggio and its suppliers. The Supplier hereby warrants that the manufacture and marketing of the Products do not infringe in any way the Intellectual Property Rights of third parties. In any case, the Supplier will indemnify and hold Piaggio harmless against any third party claim in connection with the alleged infringement of such Intellectual Property Rights.
- 16.2 The Supplier acknowledges that Piaggio is and shall remain the sole owner of all Intellectual Property Rights concerning (i) the Technical Information provided to the Supplier for the manufacture and supply of the Products; (ii) the Product developed by the Supplier on the basis of said Technical Information, unless otherwise agreed in writing by the Parties. Accordingly, the Supplier undertakes to not commit any act that may in any way infringe said proprietary rights. The Supplier shall only make use of the intellectual property of Piaggio for purposes that are strictly necessary for the performance of the Supply Contract, without such use constituting in any way whatsoever a franchise or license to the Supplier.

- 16.3 The Parties hereby undertake to maintain strictly private and confidential and to refrain from disclosing to third parties, except for purposes strictly necessary for the performance of the Supply Contract, all information of a technical, financial or commercial nature concerning each of the Parties and carrying the wording “*Confidential*”, used or acquired in the performance of the Supply Contract. The above shall not apply to information (i) that is in the public domain, or (ii) whose disclosure is required by law or by order of an Authority.
- 16.4 The Supplier expressly acknowledges and accepts that all information acquired by the Supplier during the supply relationship, including Technical Information carrying the wording “*Confidential. Property of Piaggio & C. S.p.a. All rights reserved*”, constitutes “**Confidential Information**” and as such shall be covered by the obligation of confidentiality and may only be used by the Supplier exclusively for the purposes of the performance of the Supply Contract. With regard to said Confidential Information, the Supplier undertakes to:
- (i) store all Confidential Information with the utmost care and reserve and immediately return said information to Piaggio upon request of the latter;
 - (ii) not reproduce Confidential Information or any part thereof and refrain from disclosing the content of such information to third parties;
 - (iii) not lay claim to any intellectual or industrial property right to Confidential Information;
 - (iv) not manufacture, sell or otherwise market in any way whatsoever, either directly or indirectly, on its own behalf or on behalf of others, any product that exploits Confidential Information or any part thereof.
- 16.5 For the purposes and regarding the performance of the Supply Contract, Piaggio may authorize the Supplier to affix on the Products one or more trademarks, brand names, distinctive signs, drawings, copyrights or logotypes which are the exclusive property of Piaggio, to be attached to the Order and/or the Supplier Card or otherwise notified by Piaggio (the “**Trademarks**”). The Supplier may use the Trademarks exclusively for the purposes of the performance of the Supply Contract and in accordance with the specific instructions provided in writing by Piaggio. Any other use of the Trademarks shall be approved in advance in writing by Piaggio. It is understood that such use does not attribute any right or license to the Supplier in connection with the Trademarks which are, and shall remain, the exclusive property of Piaggio and that any authorization to use the Trademarks shall not be transferred and/or sub-licensed to a third party without the written permission of Piaggio.
- The Supplier undertakes to cease using the Trademark upon expiry of this supply or at the time when this ceases and/or is terminated; not to use after the expiry, resolution or termination of this Supply any company name or corporate name, domain name, symbol and/or trademark which is the same as and/or may be confused with the Trademark or which contains the Trademark itself, or in any way likely to mislead or confuse the public.
- 16.6 The Supplier undertakes to refrain from using any name or trademark identical or similar to the Trademarks without the prior written consent of Piaggio. Under no circumstances may the Supplier in any way alter, conceal, remove or interfere in whatsoever way with the Trademarks affixed on the Products in accordance with Article 16.5 hereof. The Supplier undertakes to refrain from affixing any trademark, service mark, trade name, word mark, figurative mark or other distinctive sign (including, without any limitation whatsoever, the Trademarks) on any Product without the prior written consent of Piaggio.

ARTICLE XVII – PENALTIES

- 17.1 Violation by the Supplier of any of the obligations under Articles 4.1, 5 or 16 hereof shall entitle Piaggio to demand and obtain, where the effective liability of the Supplier is proved, payment of a penalty equal to 8% (eight per cent) of the Supplier's total sales to Piaggio in the year prior to that of non-compliance.
- 17.2 Regarding penalties for delays in Product delivery or other critical issues in the Piaggio production cycle (as defined in article 3.a in Annex 2) reference is made to that provided for in **Annex 2 (“Spare Parts and Accessories Supply and Logistics”)**; Regarding failure to comply with service levels envisaged for the supply of Spare Parts, reference is made to that provided for in **Annex 2 (“Spare Parts and Accessories Supply and Logistics”)**.
- 17.3 Defects in the Products identified during the time zero period shall incur the charges contemplated in Article 7 of Annex 1 hereof. For all other costs and expenses incurred by Piaggio due to defects beyond agreed tolerance limits identified on the network, the specific provisions of Annex 1. hereof will apply.
- 17.4 Notwithstanding the foregoing, Piaggio is entitled to claim compensation for any greater damages actually sustained.

ARTICLE XVIII - TERMINATION; WITHDRAWAL; EFFECTS OF TERMINATION OF THE SUPPLY CONTRACT

- 18.1 Piaggio will be entitled to terminate the Supply Contract in the event that the Supplier fails to perform any one of the obligations binding thereunder and does not remedy its non-performance by and no later than 15 (fifteen) days following receipt of the notice of non-performance served.
- 18.2 In addition to the provisions of Article 15.4, any violations by the Supplier of the provisions of Article XVI and Article 19.1 shall entitle Piaggio to terminate the Supply Contract with immediate effect, with written notice to the Supplier sent by registered mail with return receipt.
- 18.3 Piaggio shall have the right to terminate the Supply Contract at any time, without incurring any liability and/or obligation towards the Supplier, with written notice to the Supplier of 90 (ninety) days. Such withdrawal shall be considered without prejudice to the rights and obligations of the Parties under the Supply contracts already executed or in progress at the date of receipt of the notice of withdrawal. It is hereby agreed by the Parties that the right of withdrawal reserved by Piaggio may also be exercised partially, with regard to one or more of the Products.
- 18.4 Piaggio will also be entitled to withdraw with immediate effect from the Supply Contract by serving written notice thereof on the Supplier in the event that the Supplier commences voluntary or compulsory liquidation procedures, insolvency proceedings or any other procedure that signifies or suggests the insolvency or winding-up of the Supplier.
- 18.5 Following termination of the supply relationship for any reason whatsoever, the Supplier shall, at its own expense and under its own responsibility, immediately return to Piaggio all Technical Information and Confidential Information and any Equipment held under a loan-for-use agreement.

ARTICLE XIX – MISCELLANEOUS

- 19.1 The Supplier may not assign or otherwise transfer the Supply Contract or any part thereof, or any of the rights or obligations arising thereunder, to third parties, without the prior written consent of Piaggio. The Supplier may not subcontract the performance of the Supply Contract or any part thereof, without the prior written consent of Piaggio. In any case, the Supplier will not be released from the obligations binding hereunder and will remain liable towards Piaggio for the due performance of said obligations and for the compliance, also in accordance with Article 1381 of the Italian Civil Code, of any subcontractors with the provisions of these Conditions.
- 19.2 In accordance with and for the purposes of Article 1381 of the Italian Civil Code, the Supplier hereby warrants that its Representatives, subcontractors and any other Entity involved in any way whatsoever in the performance of the Supply Contract will duly comply with the provisions set forth in these General Conditions of Purchase.
- 19.3 All notices to be given in connection with the supply relationship shall be made in writing and served by registered mail sent by recorded delivery or by courier, telex or facsimile to the following addresses for service (or any address for service subsequently notified in writing by either Party to the other):

if to Piaggio:
 Piaggio & C. S.p.A.
 Viale Rinaldo Piaggio no. 25
 56025, Pontedera (Pisa), Italy
 Attn.: _____

if to the Supplier:
 [the Supplier]

Attn.: _____

Fax: (0587) _____

Fax: (____) _____

- 19.4 In the event the timely performance of the obligations binding on each of the Parties under the Supply Contract is prevented or hindered by proven circumstances of force majeure, the Delivery Date will be replaced by a new Delivery Date set jointly by the Parties, providing that each Party has notified the other in writing without delay of the occurrence of the circumstance constituting force majeure and has taken all steps within its power to minimize prejudicial effects. Force majeure of any kind or nature may not be invoked where circumstances occur after the Delivery Date. Delays caused by subcontractors of the Supplier will not be considered circumstances of force majeure.
- 19.5 The invalidity or unenforceability of any one of the clauses or provisions of these Conditions will not prejudice the validity and enforceability of the remaining clauses and provisions, which shall, accordingly, be held valid and enforceable.
- 19.6 The supply relationship will be governed by the laws of Italy.
- 19.7 Any dispute arising from or in connection with the construal, performance or termination of the Supply Contract will be referred to the exclusive jurisdiction of the Court of Pisa.
- 19.8 Supplier declares to be aware of the provisions pursuant to Legislative Decree No. 231/2001, as amended and supplemented, the Code of Ethics and Code of Conduct of Piaggio published on the website www.piaggiogroup.com.

- 19.9 In the execution of this Agreement, Supplier undertakes to adopt conduct compliant with Legislative Decree 231/2001 and with the Code of Ethics and Code of Conduct of Piaggio, in such a way as not expose Piaggio to the risk of application of the penalties provided for by said Legislative Decree, as well as to ensure its shareholders, employees and collaborators who participate in the execution of the Agreement are informed about and comply with the same. Supplier undertakes to immediately communicate to Piaggio any events effectively or even potentially in violation of the Code of Ethics and/or Code of Conduct, or any events constituting violation of the provisions of the above-mentioned Legislative Decree 231/2001.
- 19.10 Any failure to comply with any of the obligations indicated in the Decree, the Code of Ethics or Code of Conduct shall constitute a material breach of this Agreement, and Piaggio shall therefore be entitled to terminate the Agreement with immediate effect, in accordance with and for the purposes of Article 1456 of the Civil Code.

Signed, sealed and delivered

Date: _____

PIAGGIO & C. SpA

The Supplier

The Supplier hereby confirms its specific approval, in accordance with Articles 1341 and 1342 of the Italian Civil Code, of the following clauses:

Article 1.3; Article 3.2; Article 4; Articles 10.3; 10.4; Articles 11.1 and 11.2; Article 14.3; Article 15.4; Articles 16.1, 16.2 and 16.6; Article 17.3; Articles 18.2, 18.3 and 18.4; Article 19.1; Article 19.7.

Date: _____

The Supplier

ANNEX 1

SPARE PARTS AND ACCESSORIES QUALITY

Section 1 - PRODUCT QUALITY AT ZERO TIME

1. Time zero quality

This Annex regards the Quality of the Product/Products, as provided in Article X, in the so-called “time zero” phase (with time T= 0).

By “time zero” is meant the period, that elapses between the date of receipt of the Products by Piaggio and the discovery of the fault by the customer upon receipt of the Products by the customer.

Should Piaggio, during the warranty period, detect a defect or fault attributable to the Supplier, it shall notify the same to the latter within 60 (sixty) days from the date of discovery.

In this case, the Supplier, at its own expense, shall provide Piaggio, promptly and in any event within 15 (fifteen) days of the date of the aforementioned notification, with either the replacement or repair of each defective and/or non-conforming Product. Should the repair and/or replacement of the Product not be possible, the Supplier shall refund the price of the Product Indicated in the Order. In any case, Piaggio shall be entitled to the reimbursement of documented costs and charges incurred as a result of defects and/or non-conformities found in Products.

This without prejudice to other remedies provided for by law.

1.1 Sample analysis

Piaggio shall send the Supplier the Technical Information in order for it to use the same for Product development.

Should the Product/component be the result of Supplier know-how, Piaggio shall provide the Product guidelines which shall be developed and industrialized by the Supplier.

Once the samples are ready, the Supplier shall send the same to Piaggio, including the documentation certifying Product quality and compliance requisites, also for subsequent mass production.

The samples shall be delivered by the Supplier to Piaggio in the quantities and on the date specified in the “Product Data Sheet”. The same shall be accompanied by: the Product specifications and the Quality and Conformity Certificate (hereinafter the “QCC”) certifying conformity of the Product with the Technical information and the manufacturing process information.

The samples shall be manufactured with the definitive equipment and process.

1.2 Mass production supply

(i) Start-up of mass production

Delivery of the first batch of mass production for a CF2 and CF3 Product (not classified by Piaggio as a Safety Product) shall be accompanied by the QCC certifying conformity of the product as required in the drawings and/or Technical information previously agreed with Piaggio.

The Supplier may make recourse, for Product verification and certification, to external laboratories, provided that the use of such laboratories has been previously agreed in writing with Piaggio. This activity shall necessarily be highlighted in the QCC containing the corresponding certifications.

(ii) “Free-pass” supply

All supplies shall be considered in “Free-pass” following achievement of the results provided for in the Supply Approval procedure (sample Approval and subsequent delivery of the first batch of mass production). Free-pass assignment or possible rejection of the same shall be under the sole responsibility of Piaggio.

The Supplier with such certification undertakes to ensure that all Products in the batch have been produced with suitable, controlled and approved materials and means of production in order to ensure what have been requested and agreed.

The Supplier shall store and deliver to Piaggio, upon request, all documentation regarding its product and/or process control:

Piaggio reserves the right to conduct further investigation and to request further documentation and/or clarification, as well as to conduct systematic checks c/o the Supplier and its sub-suppliers using its own personnel or personnel delegated by Piaggio.

The Supplier shall provide written notice to Piaggio of any change in the production process.

Piaggio shall have the exclusive right to decide to repeat the tests and checks already carried out by the Supplier by taking Product samples directly from mass production batches.

(iii) Outsourced supplies

The Supplier shall, unless otherwise agreed in writing between the Parties, ensure the full compliance of the final Product subject to contract work.

(iv) Verification of compliance of supplies

Piaggio shall have the right to perform or not perform statistical checks during acceptance of incoming materials. This discretionary right of Piaggio shall not, under any circumstances, constitute a pre-condition for Product quality.

Piaggio shall also have the right, in the presence of even a single defective Product, to request 100 % verification of the batch by the Supplier or, if agreed, to return the entire batch.

1.3. Test results:

Piaggio analyses the samples and/or mass production supply and provides the test results in writing (hereinafter the “Test Results”), which indicate the qualitative compliance or non-compliance (dimensional, material and functional) of the Product and information concerning actions which Piaggio intends to undertake concerning the Product (rejection, waiver, additional operations, 100% verification, etc.).

The **Test Results** are issued with regard to:

- i) **Approval Procedure:** in this case, the subsequent mass production supply of Products may
 - Be accepted according to the supply approval;
 - Be accepted with waiver of supply with written notice to the Supplier by Piaggio, indicating the quantities and/or the time allowed. The Supplier shall submit, within 7 (seven) days, an improvement plan indicating the interventions and corresponding execution time, consistent with the limits of the waiver.
 - Not be accepted.

- ii) **Mass production non-conformity;** in this case, the mass production supply of products may:
 - Be accepted with waiver of supply with written notice to the Supplier by Piaggio, indicating the quantities and/or the time allowed. The Supplier shall submit, within 7 (seven) days, an improvement plan, indicating the interventions and corresponding execution time, consistent with the waiver limits;
 - Be accepted following additional operations and/or 100% verification. The costs relating to these operations shall be borne by the Supplier;
 - Not be accepted and Piaggio shall proceed with return due to rejection.

3. Indicators and non-conformity

The measure of Quality of the supply (at time 0) is expressed via two key indicators:

- (i) Time zero returns;
- (ii) Disturbance.

Indicator definitions, measurement and algorithms

(i) Returns

“Returns” are all units returned due to total or partial defect rate measured at time zero, according to paragraph 1.

The indicator, with regard to the expected target of the product category, is expressed in ppm (parts per million).

$>Returns (ppm) = (returns (period)/supplied (period)) \times 10^6$

(ii) Disturbance

Products found to be non-compliant, for whatever reason (returns + touched ups + selected + waived for any reason), and for which a result of non-conformity has been issued, imply a *disturbance*;

The indicator, with regard to the expected target of the product category, is expressed in ppm (parts per million).

$Disturbance (ppm) = [(returns + touched ups + selected + waived)_{period} / supplied_{period}] \times 10^6$

4. Product category target

The quality targets shall be agreed with the Supplier for the various types of Product and for the corresponding product categories at the beginning of mass production supply.

The criteria for selection of the targets are dictated by the product category and by the Supplier considered to be Best Quality for such kind of Product.

In the event that the supply is constituted by Products belonging to different product categories, Piaggio shall agree with the Supplier the possibility of attributing a single representative Target or attribute different Targets for each category or only for certain categories.

At the end of each year, Piaggio shall verify with the Supplier, where deemed necessary, the results achieved and any deviations from the agreed targets.

6. Product/Process Changes

6.1 Product Changes

In the event of any Product changes requested by Piaggio, the Supplier shall repeat the sampling procedure according to that already described in art. 1.2 above. Any changes requested by the Supplier shall first be discussed and approved in writing by Piaggio.

Any changes made to approved Products shall be notified to Piaggio and approved in advance in writing by the same.

6.2 Process Changes

Important process changes and/or changes in production site that could jeopardise Product quality shall be notified to Piaggio, prior to their introduction in mass production, and accompanied by documentation (capability studies, laboratory analyses etc.) demonstrating compliance with the required quality standards. Piaggio reserves the right to carry out process verification to assess viability of the change.

7. Emerging cost to be charged

7.1 If at T = 0 any Product defects or qualitative non-compliances are detected, Piaggio shall inform the Supplier (by e-mail or fax) within the deadline referred to in Article 1, to allow the same to intervene directly via (i) selection; (ii) replacement and/or (iii) repair of the entire defective batch. If the Supplier is unable to intervene within the timeframe and in the manner required by Piaggio, Piaggio may perform or have performed all the control, selection and/or repair activities on defective Products deemed necessary to ensure continuity of the normal production flow.

7.2 Piaggio shall send written notice to the Supplier with a list of interventions carried out and costs incurred (quantified in man/hours, where the hourly rate shall be notified by Piaggio and updated on an annual basis) due to defects and/or qualitative non-compliance of Products. The Supplier shall have the right to send any comments in writing no later than 5 (five) working days of receipt of said notification.

7.3 Piaggio shall send the Supplier a monthly written summary of the amounts charged during the previous month, pursuant to Article 7.2 above.

(i) should the total monthly charges be less than € 2,500.00, Piaggio, in the absence of claims from the Supplier, shall issue an invoice for said amounts.

(ii) if, on the other hand, the total monthly charges exceed € 2,500.00, Piaggio shall issue an invoice only after agreement with the Supplier in relation to the above charges.

In case the parties fail to agree on the amounts to be charged, the rights and remedies ensured by law remain unprejudiced.

7.4 The Parties agree that Piaggio will issue a debit note in order to insure the correct management of (i) returns to or the disposals on behalf of the Supplier of the Products that are defective or not compliant with the term and condition of these Terms and/or (ii) invoice of the Products in the quantity that exceeds the received Products. Such debit note, with the description of the returned or destroyed goods, will be sent to the Supplier by registered mail or certified mail.

ANNEX 1

SPARE PARTS AND ACCESSORIES QUALITY

Section 2 - PRODUCT DEFECTIVENESS ON FIELD

1. Subject

This Annex addresses Product warranty, as provided in Article X, following the sale of the Products themselves to end users.

To this end, Product malfunctions when in use by Customers during the warranty period referred to in Article X are defined as "**Faults under Warranty**".

2. Quality Objectives under Warranty: Piaggio and the Supplier shall agree, with specific agreements by product type already supplied or for a new component, the level of quality expected for the component/s.

This value, expressed in ppm, shall be determined based on market analyses (competitor or competing supplier products) or by referring to that consolidated in similar production contexts.

3. Calculation of Warranty costs: Warranty costs shall be charged to the Supplier if the monthly average ppm's on a yearly basis exceed the annual expected objective. Calculation of ppm's shall be based on the percentage responsibility defined with Piaggio. Costs shall be calculated with reference to the unit purchasing cost of the component by Piaggio plus 10 % for operating expenses, in addition to labour costs calculated on the basis of the time allocated for the operation in the Piaggio time manual and the average hourly cost of European labour.

4. Warranty cost to be charged: The charge shall be applied for faults under warranty, generated by the difference between the quality objective and actual ppm value, as defined in point 2. Costs incurred by Piaggio in the year in question shall be charged to the Supplier according to the calculation method defined in point 3.

5. Quality Incidents, Epidemic Defects, Recall Campaigns: In the event of epidemic defects generating recurring Product malfunctions or a serious quality defect in the same, with an abnormal increase in defective Products compared to that normally recorded and/or to expected objectives, Piaggio shall open a quality incident, promptly informing the Supplier, with a specific account on which all internal and external costs incurred by Piaggio shall be channeled.

The actual costs incurred shall be charged to the Supplier in proportion to the level of responsibility ascertained by the analyses which shall be promptly and jointly carried out.

In the event that, due to the epidemic defects in Products, Piaggio implements a recall, withdrawal and/or repair campaign on its Products, the Supplier shall provide all necessary support in order to identify, replace and/or repair Products found to be defective, not reliable and/or non-compliant with legal requirements. Piaggio, within the scope of ascertaining the technical responsibility of the Supplier for Products defects, shall involve the Supplier itself in order for it to make its comments and proposals jointly with Piaggio.

The Supplier shall refund all Piaggio costs, expenses and/or charges incurred by the latter as a result of the aforementioned withdrawal, recall and/or repair campaigns, without prejudice to the right of Piaggio to compensation for greater damages actually incurred, as direct consequence of Supplier's conduct.

ANNEX 2

SPARE PARTS AND ACCESSORIES SUPPLY AND LOGISTICS

1 – Validity

The Supplier undertakes to ensure the provision of Spare parts for a period of not less than 10 (ten) years from the date of termination of production of the vehicle or engine.

2– Aligning master data during supply and corresponding logistic parameters

2.1. Each year, Piaggio, indicatively in the period October/November, shall send the Supplier, should there have been changes during the year, the list of supply master data active at the date of transmission (i.e. which potentially can still be purchased), the corresponding supply logistic parameters stored in the Piaggio planning system and the additional information requested in order for the Supplier to be able to verify/update the same.

2.2. The Supplier shall be bound to verify/supplement the parameters and information sent by Piaggio. The data reviewed and corrected in this manner shall be sent to Piaggio Spare Parts Logistics which, following confirmation, shall enter the same in the planning system in order to update/supplement existing data.

3 – Management Rules for Delivery Schedules/Variants

3.1. Piaggio undertakes to:

- (i) Send monthly delivery schedules within 20th of each month and in any case no later than the 25th.
- (ii) Propose variants during the month.

3.2. The Supplier undertakes, within 5 (five) days of receipt of the schedule, to confirm in writing to Spare Parts Logistics acceptance of the new schedules and, at the same time, to notify, again in writing, Spare Parts Logistics (the Manager in question) and Purchasing of any critical issues in order for the latter two functions to assess acceptability.

3.3. The Supplier, within the same deadline of 5 (five) days of receipt, shall confirm in writing acceptance or non-acceptance of the schedule variants, specifically highlighting the quantities accepted and the corresponding delivery dates.

4 – Delivery Schedule transmission procedures

The standard procedures for transmitting delivery schedules to Suppliers are as follows:

- 1. by computer via INTESA (EDI).
- 2. automatic fax, via INTESA (EDIFAX).
- 3. via the Piaggio Supplier Portal.

5 – Expected service level

The expected service level, calculated as the division between the sum of service level percentages achieved by each individual code and the total number of codes is 98%, both in terms of quantity and order lines (accepted delivery schedules/variants).

The calculation is made at the beginning of each month with reference to all deliveries/expired orders at the end of the previous month.

6 – Penalties

If the actual service level at the end of the month is greater than or equal to 98 % there shall be no charge; if, on the other hand, the service level, according to point 5 above, is less than 98%, Piaggio shall have the right to impose a penalty of 0.5 % of the price of order lines affected by the delay for each calendar day compared to the delivery date, up to a maximum of 5%.

ANNEX 3

SAMPLES AND PROTOTYPES FOR APPROVAL

1) Introduction

As regards some kind of Products as for example clothing, merchandising, helmets (see article 4 herebelow) the aim of this document is to clarify and share all the phases of prototype and samples manufacturing.

All the following rules have the sole purpose to achieve perfect correspondence between that required by Piaggio in terms of product specifications and what have been developed, manufactured and supplied by the Supplier.

The approval of production samples is essential part of the supply process.

Lack of approval is often not due to non-conformity with the initial design, use of materials other than those specified, or of a different or inferior quality, differences in details (head accessories) or modeling (sizes).

2) Prototype/sample/type approval phase (approval to supply)

Suppliers are provided with a **product sheet** with the drawing and all technical, style, modeling, material and accessory details to be used

The prototype is a tailored garment which, even without the completeness of customizations and accessories, is used to assess initial compliance of the garment, quality and modeling. The prototype can be in different colors and materials with respect to the final version, but the general perception of the garment and the modeling shall comply with the defined standards. The final material may be approved separately with pieces of fabric to be countersigned.

3) Helmets' prototyping and sampling

The prototype may be a product already in current production, i.e. already in the supplier's catalogue and customized in order to meet Piaggio requirements; in this case it shall be already type-approved according to current standards; or, in the case of a new helmet, a stereo lithography shall be required in order to provide more complete product's information from the outset of the development cycle (compliance with drawings, dimensions, etc.). This prototype is necessary in order to transmit information from one project phase to another, with the aim of preventing and correcting any errors. The stylistic details (internal and external) shall be evaluated on the pre-production helmet once the product has passed all type approvals. The supplier is required to perform the various tests in accredited laboratories.

4) Sampling process

The sample shall be provided with a conformity certificate which shall contain:

- Origin of goods (country of origin);
- description of the process used to obtain the prototype, any production specifications required by current standards;
- description of materials used with a list of alternative materials in cases in which it was not possible to source those required by initial specifications;
- Compliance with the technical specifications;
- In the case of clothing, compliance with the agreed size tables with a maximum deviation of 5%;
- In the case of clothing, evidence of wash resistance test results, according to the label values;
- time-scales for delivery of the prototype with the various steps.

5) Test result and final approval by Piaggio

Each sample shall be carefully evaluated by Piaggio. Piaggio shall have the obligation to send the results to the Supplier within a maximum term of 15 (fifteen) working days.

Whenever requested, the Supplier, at his own expense, shall send Piaggio a second round and even a third round of sample in order to reach the final approval by Piaggio.

Any clothing samples' batch (25 pieces) shall be as close as possible to the final garment.

It is understood and agreed upon by the Parties that mass production may be started as soon as there is final approval of the garments. Any waiver in order to start the production shall be discussed and agreed in writing case by case.

**ANNEX 6 –Regulations governing access to and use of the Piaggio Supplier Portal
(hereinafter the “Regulations”)**

This Attachment governs all activities of transmission, receipt and sharing of documents and information relating to the Supply Agreement including orders, invoices and credit notes (hereinafter “Documents”) between the Supplier and Piaggio.

By signing these Regulations, the Supplier undertakes to:

1. use the Supplier Portal as an electronic means: (i) for the exchange of Documents between Piaggio and the Supplier and (ii) as the only means for sending Piaggio its invoices and related credit notes, (iii) to receive any other document that Piaggio subsequently notifies as being subject to these Regulations, conforming to the same
2. to recognize the full validity and effect of Documents transmitted via the Supplier Portal, expressly waiving the right to challenge the validity and effectiveness of the same,
3. acknowledge Documents the same value attributed by Presidential Decree 633/72 to invoices issued in paper format;
4. ensure substantial correspondence between the content of the Document samples in its possession and those sent to Piaggio, with particular reference to the issues provided for in article 21 of Presidential Decree 633/72;
5. observe the legislation on stamp duty provided for by Presidential Decree 642/72 if and to the extent applicable to the Documents sent to Piaggio. By signing these Regulations, the Supplier undertakes to consider the possibility of obtaining from the Tax Authorities authorization to pay stamp duty using the virtual system, acknowledging such method of payment instrumental to the transmission of Documents via the Supplier Portal. In this case, the Supplier shall insert in the Documents the declaration that the same has been paid using the virtual system, with the details of the corresponding authorization;
6. Should the Supplier be in possession of the authorization referred to in point 4, the same undertakes to affix to the copy of the invoice and/or credit note in its possession the duty stamp, declaring such fulfillment of obligation on the copy transmitted via the Supplier Portal;

In this case, it is understood that should Piaggio be called upon to fulfill, for joint and severally liability, missing payment of stamp duty, Piaggio shall be entitled, with written notice to the Supplier, to deduct the same amount, including without limitation penalties, interest and any legal fees, from amounts payable to the Supplier in relation to the supply relationship.

The foregoing shall not apply should the Supplier notify, within 5 (five) days of receipt of Piaggio notification, its fulfillment and at the same time send Piaggio documentary evidence of payment;

7. use the support service which Piaggio makes available to report any problems in the use of the Supplier Portal, with particular reference to the transmission of invoices and/or credit notes.

For anything not covered in these Regulations, the provisions of the Conditions, of which this Attachment constitutes an integral and essential part, and of the Italian Civil Code shall apply.