



Terms and Conditions of Purchase Groeneveld Group

Contents

1. Agreement
2. Prices
3. Material
4. Drawing / Data
5. Changes
6. Deliveries / Shipments
7. Inspection / Quality Control
8. Warranty
9. Breach of warranty
10. Termination
11. Labor disputes
12. IP Rights / Indemnity
13. Indemnification / Insurance
14. Compliance
15. Code of conduct
16. Assignment / Subcontracting
17. Remedies
18. Disputes / Choice of law
19. Confidentiality
20. Release of information
21. Waiver
22. Indemnity import / export
23. Severability

1. AGREEMENT

By acceptance of the order, Supplier agrees to the terms and conditions contained herein and incorporated herein by reference, which terms and conditions shall constitute the entire agreement between the parties. Groeneveld rejects any additional and inconsistent terms and conditions offered by Supplier at any time and irrespective of Groeneveld's acceptance of or payment for Supplier's items or services. An order shall be deemed accepted upon the return of the acknowledgment copy of that order or the commencement of performance by Supplier. These terms and conditions constitute the entire agreement between the parties and no change to or modification of an order shall be binding upon Groeneveld unless signed by an authorized representative of Groeneveld at Groeneveld's place of business issuing the order.

2. PRICES

Unless otherwise provided on the face of an order, the prices appearing herein include all packaging, crating and federal, state, provincial and local taxes. Supplier warrants (unless otherwise specifically stated on the face of an order) that none of the items furnished under the order are government or commercial surplus, used, remanufactured or reconditioned or of such age or so deteriorated as to impair the usefulness or safety thereof.

Groeneveld shall not be billed at prices higher than stated on the Purchase Order unless authorized by a Purchase Order Change issued and signed by Groeneveld. Supplier represents that the price charged for the items or services covered by an order, given comparable circumstances, is the lowest price charged by the Supplier in the market and that prices comply with applicable government regulations in effect at time of quotation, sale or delivery.

3. MATERIAL

Unless otherwise stated in an order, Supplier shall supply all material, equipment, dyes, molds, patterns, fixtures, inspection equipment, tools, service, tooling, and facilities required to perform this order. Title to all property furnished to Supplier by Groeneveld or specifically, paid for by Groeneveld or the cost of which is fully or substantially amortized in the price of the items purchased hereunder and any replacements thereof, shall be and remain in Groeneveld with the right of possession in Groeneveld and Supplier will use said Articles only in the performance of work for Groeneveld. To the extent permitted by law, Supplier waives its right to object to the repossession of articles by Groeneveld in the event Supplier is involved in bankruptcy proceedings.

4. DRAWINGS / DATA

All drawings, data, designs, engineering instructions, models, specifications or other technical information, written, oral or otherwise, supplied by or on behalf of Groeneveld in connection with performance of an order (hereinafter "Information") shall be and remain the property of Groeneveld. Supplier shall not use or disclose such Information except in the performance of orders for Groeneveld and upon Groeneveld's request such Information and all copies thereof shall immediately be returned to Groeneveld. Where such Information is furnished to Supplier's suppliers for procurement of supplies by Supplier for use in the performance of Groeneveld's orders, Supplier shall insert the substance of this provision in any purchase order or subcontract hereunder and inform Groeneveld accordingly.

5. CHANGES

Groeneveld may at any time by a written order, make changes in any one or more of the following: (i) drawings, designs or specifications where the items to be furnished are to be specifically manufactured for Groeneveld in accordance herewith, (ii) method of shipment or packing, (iii) place or time of inspection, delivery or acceptance. If any such change causes an increase or decrease in the cost of or time required for the performance of an order, an equitable adjustment shall be made in the price or delivery schedule or both. No claim by Supplier for adjustment hereunder shall be allowed unless in writing (setting forth the proposed adjustment amount) and received by Groeneveld within three (3) working days from the date notice of any such change is received by Supplier. Nothing in this clause shall excuse Supplier from proceeding with performance at an order as changed. During the performance of an order, Supplier shall not make any changes in the design of items to be furnished by Supplier hereunder without advance notification and approval of Groeneveld.

6. DELIVERIES / SHIPMENTS

Unless otherwise specified on the face of a purchase order, Supplier shall ship products using Groeneveld's preferred carrier. Supplier shall, at its expense, ship by express or air shipment or by the most expeditious way if the delivery schedule is endangered. Unless otherwise specified on the face of an order, no variation in the quantity is authorized for shipment. Any quantity overage shall, at Groeneveld's option, be accepted by Groeneveld at no additional charge for such overage unless otherwise agreed in an order or returned to Supplier at Supplier's expense.

All items shall be packaged in a manner sufficient to ensure arrival in an undamaged condition. Supplier shall be responsible for costs or damages incurred by Groeneveld directly or indirectly, as a result of or caused by improper packaging. Items shipped in advance of Groeneveld's delivery schedule may be, returned at Supplier's expense.

Time is of the essence in a purchase order, and if delivery of items or rendering of services is not completed by the time promised, Groeneveld reserves the right without liability, in addition to its other rights and remedies, to terminate a purchase order by notice effective when received by Supplier, as to stated items not yet shipped or services not yet rendered, and to purchase substitute items or services elsewhere and charge the Supplier with any loss incurred. Any provisions herein for delivery of articles or the rendering of services by installments shall not be construed as making the obligations of Supplier severable.

7. INSPECTION / QUALITY CONTROL

Notwithstanding (i) payment, (ii) passage of title or (iii) prior inspection or test, all items (including labor for all service) are subject to final inspection and acceptance or rejection at destination stated herein. In the event that the items are being manufactured in accordance with specifications provided by Groeneveld and make use of intellectual property owned by Groeneveld, at all reasonable times during the period of Supplier's performance hereunder, including the period of manufacture, Groeneveld and its customers may inspect and/or test the items to be furnished hereunder at the plants where the work is being performed, including those of the Supplier's Suppliers and Supplier shall provide, without additional charge, reasonable facilities and assistance for inspection and test. All such inspections and test shall be conducted in such a manner as not to unduly delay the work. Supplier shall provide and maintain quality control and inspection systems acceptable to Groeneveld.

Groeneveld reserves the right to reject and refuse acceptance of items which are not in accordance with the instructions, specifications, drawings and data or Supplier's warranty (express or implied). Groeneveld will charge Supplier for the cost of inspecting merchandise rejected. Items not accepted will be returned to Supplier at Supplier's expense. Payment for any article hereunder shall not be deemed an acceptance thereof.

8. WARRANTY

Supplier warrants labor for all services for 2 years after the work is performed. Unless otherwise stated in an order, Supplier warrants to Groeneveld, its successors, assignees and customers that all items furnished (including all replacement items and all replacement or corrected components which Supplier furnishes pursuant to this warranty) that are manufactured by Supplier or that bears Supplier's name will be free from defects in materials and workmanship for a period which is the greater of the following: (a) twenty four (24) months from the date of delivery to Groeneveld, (b) the period specified on than order, or (c) Supplier's standard warranty period; will conform to applicable drawings, specifications, samples and other descriptions furnished or specified by Groeneveld; and to the extent such items are not of a detailed design furnished by Groeneveld, will be merchantable, suitable, for the intended purposes and free from all other defects, including defects in design. In the event Supplier is required to replace or correct any component of any item pursuant to a breach of the foregoing warranty the running of the warranty period for the term of which the defective component is a part shall be suspended from the date Supplier receives notice of the breach of warranty until the date the component is replaced or corrected. For any item provided hereunder that is neither manufactured by nor bears Supplier's name, Supplier represents and warrants that such item carries a manufacturer's warranty and such warranty shall pass through to Groeneveld upon purchase of the item. Groeneveld's approval of Supplier's samples or first articles shall not be construed as a waiver by Groeneveld of any requirement of the drawings, specifications and/or other referenced descriptions applicable hereto or of any express of implied warranty.

9. BREACH OF WARRANTY

In the event of Supplier's delivery of defective or nonconforming items (including labor related to services) or Supplier's breach of warranty, Groeneveld may at its election and in addition to any other rights or remedies it may have at law or equity or under this order, recover from Supplier any costs of removing such items from property, equipment or products in which such items have been incorporated and any additional costs of reinstallation, reinspection and retesting and (i) return the items at Supplier's risk and expense and recover from Supplier the price paid therefore and, if elected by Groeneveld, purchase or manufacture similar items and recover from Supplier the costs and expenses thereof, (ii) accept or retain the items and equitably reduce their price, or (iii) require Supplier, at Supplier's expense to promptly replace or correct the items. If Supplier fails to promptly replace or correct such items as directed by Groeneveld, Groeneveld may repair them or have them repaired at Supplier's expense or purchase or manufacture similar items and recover from Supplier the costs and expenses thereof.

10. TERMINATION

Groeneveld may terminate an order in whole or in part at any time or stop all or any part of the work under this order for a period of thirty (30) days by written notice stating the extent and effective date of such termination or stop work order. Upon receipt thereof, Supplier shall to the extent directed by Groeneveld (i) stop work and deliveries under an order and place no further orders relating

hereto (ii) terminate work or deliveries under outstanding orders, which relate to work terminated by such notice and (iii) protect property in Supplier's possession in which Groeneveld has or may acquire an interest.

Groeneveld reserves the right to terminate an order in whole or in part for default (i) if Supplier fails to perform in accordance with any of the requirements of an order or to make progress so as to endanger performance hereunder or (ii) if Supplier becomes insolvent or suspends any of its operations or if any petition is filed or proceeding commenced by or against Supplier under any state, provincial or federal law relating to bankruptcy, arrangement, reorganization, receivership or assignment for the benefit of creditors. Subject to federal law, any such termination will be without liability to Groeneveld for any or all property produced or procured by Supplier for performance of the work terminated. Supplier will be liable for damages caused by or resulting from its default, including but not limited to excess costs of procurement.

11. LABOR DISPUTES

Whenever Supplier has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of an order, Supplier shall immediately give notice thereof, including all relevant information with respect thereto to Groeneveld.

12. IP RIGHTS / INDEMNITY

Supplier shall indemnify Groeneveld from any and all damages and costs finally awarded for infringement of any patent, trademark or copyright in any suit by reason of the sale or use of any product sold to Groeneveld hereunder where Supplier is an infringer or an alleged infringer with respect to its sale hereunder and from reasonable expenses incurred by Groeneveld in defense of such suit if Supplier does not undertake the defense thereof provided, that Supplier is promptly notified of any such suit and Groeneveld offers Supplier full and exclusive control of the defense of such suit when products of Supplier only are involved therein and the right to participate in the defense of such suit when products other than those of Supplier are also involved therein, except that this indemnity shall not extend to infringement resulting from Supplier's compliance with Groeneveld's designs, processes or formulas. Supplier shall also indemnify Groeneveld's customers and agents for such infringement if and to the extent that Groeneveld has agreed so to indemnify them but to no greater extent than Supplier has indemnified Groeneveld herein and under the same conditions as set forth herein.

13. INDEMNIFICATION / INSURANCE

Supplier shall indemnify and hold harmless Groeneveld, its employees, agents and invitees from and against all liability, demands, claims, loss, cost, damage and expenses by reason of or on account of property damage, death and personal injury of whatsoever nature or kind arising out of, as a result of, or in connection with the performance of an order which is occasioned by the acts or omissions of, Supplier or its suppliers. Supplier shall maintain and carry liability insurance which includes but is not limited to employer's liability, workmen's compensation, general liability, public liability, property damage liability, product liability, completed operations liability and contractual liability in amounts set forth in this order, with carriers acceptable to Groeneveld. If no amounts are so set forth, then in amounts acceptable to and approved by Groeneveld but in no event shall such amounts be less than minimum statutory requirements. Supplier shall, if requested by Groeneveld furnish certificates of statutory requirements, if any, and certificates of insurance indicating the foregoing coverage.

14. COMPLIANCE

Supplier shall comply with all applicable federal, state, provincial and local laws, executive orders, rules and regulations during performance of an order. Supplier agrees to indemnify and hold Groeneveld and its customers harmless from and against any loss, damage and expenses sustained because of Supplier's noncompliance with any applicable law.

15. CODE OF CONDUCT

Supplier agrees to comply during performance of an order with the content of the Groeneveld Code of Conduct. The applicable version is available on and accessible through the Groeneveld corporate website (<http://www.groeneveld-group.com>).

16. ASSIGNMENT / SUBCONTRACTING

Any assignment of an order or the work to be performed, in whole or in part, or of any other interest hereunder, without Groeneveld's written consent shall be void.

17. REMEDIES

The rights and remedies of Groeneveld set forth herein shall be in addition to any other rights and remedies provided in law or equity and the failure or delay by Groeneveld to exercise any rights or remedies hereunder shall not operate as a waiver thereof, or preclude the exercise of any other rights or remedies.

18. DISPUTES / CHOICE OF LAW

Except as otherwise specifically provided in an order, any dispute arising under an order shall be resolved amicably through discussions between Groeneveld and Supplier attempting in good faith to negotiate a resolution thereof; provided, however, that either Groeneveld or Supplier may seek injunctive relief from a court of proper jurisdiction where appropriate. In order to avoid the ongoing status quo while this procedure is being followed, if the parties fail to resolve any dispute arising under this order within a period of fourteen (14) days, either party may seek mediation. If mediation is agreed upon, the parties will appoint a mutually acceptable mediator seeking assistance in such regard. If the parties are not successful in resolving the dispute through good faith negotiations or mediation, the dispute shall be resolved by the competent court of law in Milan (Italy). The United Nations Convention for the International Sale of Goods is expressly excluded.

19. CONFIDENTIALITY

Except as otherwise specifically agreed, all Confidential Information disclosed by Groeneveld to the Supplier shall be Groeneveld's property and shall be held in confidence by Supplier and used solely for the performance of an order. For purposes of a Purchase Order, "Confidential Information" means all information of Groeneveld, in whatever form transmitted, relating to business plans, operations, training, systems and products, whether currently manufactured or in development which is identified as being confidential or proprietary in nature or is obviously confidential or proprietary by its nature or would give or increase the advantage of Groeneveld competitors over Groeneveld or diminish Groeneveld advantage over its competitors.

Supplier shall take all reasonable precautions (a) to disclose such information within Suppliers organization only to those employees and agents who have a need to know in order to fulfill Supplier's obligations hereunder and who have agreed to keep the Information confidential, and (b) to prevent any such Information from being divulged to third persons not employed by Supplier, including having recipients acknowledge the confidential status of such information and agreeing to similar restrictions. This obligation of confidence shall survive termination of this order and will continue for an indefinite period of time.

20. RELEASE OF INFORMATION

Supplier shall not, without the prior consent of Groeneveld, make any release of information concerning an order (other than to Supplier's employees and subcontractors which is required for the performance of their duties) or use the name of Groeneveld in any advertising or publicity.

21. WAIVER

Anything herein notwithstanding, in no event shall Groeneveld be liable to the Supplier for special, indirect, incidental or consequential damages, including commercial loss, loss of use, or lost profits, even if Groeneveld has been advised of the possibility of such damages.

22. INDEMNITY IMPORT / EXPORT

Supplier acknowledges that Groeneveld is required to comply with applicable export laws and regulations relating to the sale, exportation, transfer, assignment, disposal and usage of the Work or Equipment or Services provided under a Purchase Order, including any export license requirements.

SUPPLIER AGREES TO INDEMNIFY AND HOLD GROENEVELD HARMLESS FROM ANY AND ALL COSTS, LIABILITIES, PENALTIES, SANCTIONS AND FINES RELATED TO NON-COMPLIANCE WITH APPLICABLE EXPORT LAWS AND REGULATIONS.

23. SEVERABILITY

A finding that any provision of these Terms and Conditions of Purchase is invalid or unenforceable in any jurisdiction will not affect the validity or enforceability of any other provision of these Terms and Conditions of Purchase or the validity or enforceability of that provision in any other jurisdiction.