

INVATEC GENERAL TERMS AND CONDITIONS OF PURCHASE OF GOODS AND/OR SERVICES

All purchase orders from Invatec Spa are subject to acceptance by Vendor of these terms and conditions, which shall apply exclusively to all purchase of goods and/or services by Invatec Spa, and is an integral part of the purchase order/agreement. Vendor declares to accept these Invatec's general terms and conditions.

Each and every such purchase order shall be subject to the following instructions, terms and conditions:

1. VALIDATION. The purchase order is valid only if agreed and issued by an authorized Invatec employee ("Buyer").

2. ACCEPTANCE. The purchase order shall be deemed accepted either by signing a copy of the purchase order and returning it to the Buyer, by return mail, or by prompt shipment of any of the goods or by commencement of any of the services herein specified.

3. SHIPMENT AND TRANSFER OF TITLE. Vendor shall specify the delivery terms applicable to purchases of goods on the invoice using terminology set out in INCOTERMS 2000. Unless otherwise agreed in writing by the parties, goods will be purchased DDP INCOTERMS 2000, with title to the goods passing to Buyer simultaneously with risk of loss. All material shall be shipped pursuant to the shipping instructions found on the face of the purchase order. Any services delivered shall belong to the Buyer.

4. INSPECTION. All goods and/or services shall be received subject to Buyer's right of inspection and rejection at any time after receipt.

Buyer shall have the right to perform adequate tests/inspections to determine whether goods and/or services conform to the purchase order. Defective or nonconforming goods and/or services will be held for Vendor's instructions at Vendor's risk and if Vendor so directs will be returned at Vendor's expense. If inspection discloses that part of the goods received and/or services rendered are not in accordance with Buyer's specifications (i.e. instructions, description of work), Buyer shall also have the right to cancel any unshipped portion of the purchase order and/or cancel any service that has not yet commenced. Further, if Buyer requests it, Vendor shall revise, repair or replace at his expense any part of materials furnished and/or services rendered hereunder which are found to be defective or do not comply with Buyer's specifications.

Payment for goods and/or services on the purchase order prior to inspection shall not constitute acceptance thereof and is without prejudice to any claims and all that Buyer may have against Vendor. Acknowledgement of receipt on packing slips or bills of loading shall not constitute acceptance.

5. WARRANTY SPECIFICATION. Vendor expressly warrants that all the materials and articles and workmanship of the materials and articles covered by the purchase order or other description, drawings, specifications or samples, furnished by Vendor and/or

services provided by the Vendor will be in exact accordance with such purchase order, description, drawings, specifications or samples, and free from defects in material or workmanship or both and will be merchantable and fit for their particular purpose(s). Such warranty shall survive delivery and shall not be deemed waived either by reason of Buyer's acceptance of said services, materials or articles or by payment for them. Any deviations from the purchase order or specifications furnished hereunder or any other alterations, must be approved in writing by Buyer.

6. INDEMNITY. Vendor agrees to indemnify Buyer and to hold Buyer harmless from and against any and all claims, demands, liabilities, losses or expenses of whatever kind and nature (including legal fees) which Buyer shall or may at any time sustain or incur by reason of, in consequence of, or arising out of the manufacture, sale or delivery by Vendor of the goods and/or arising out of the rendering by Vendor of the Services described in the purchase order to Buyer or with respect to any property of the Buyer held by Vendor. This indemnity clause shall not be construed to prelude or limit any other rights or remedies available to the Buyer against the Vendor.

7. VENDOR'S INSURANCE. Vendor shall take out and maintain liability insurance in an amount sufficient to satisfy any claims of liability which Vendor might incur arising out of the rendering of any of the services or manufacture, sale or delivery of any of the goods described in the purchase order. Such liability insurance policy shall provide coverage for the satisfaction of any liability, as described in the indemnity agreement of the Vendor to the Buyer resulting from operation of the indemnity agreement as set forth herein in paragraph 6 or from other operation of law, as well as for the satisfaction of any liability of Vendor to any third party or parties. Any insurance of Vendor on the goods in transit to Buyer shall be solely at Vendor's expense

8. QUANTITIES. The specific quantity ordered must be delivered in full and not be changed without Buyer's consent in writing. Any unauthorized quantity is subject to Buyer's rejection and returned at Vendor's expense.

9. DELIVERY. The specific services and the goods ordered must be delivered in full and not be changed without Buyer's consent in writing. Delivery must be effected within the time stated on the purchase order, otherwise the Buyer reserves the right to cancel the purchase order in accordance with paragraph 16 below and to charge the Vendor with any damages incurred as a result of the Vendor's failure to make delivery of goods and/or render the services within the time specified in the purchase order. Neither the Vendor nor the Buyer shall be held responsible for delays in performance or failures of performance when caused by fire, strikes, epidemics, embargoes and directions of the government or other conditions of whatsoever nature or description reasonably beyond their respective control and unforeseeable.

10. EXTRA CHARGES - EXPENSES. No additional charges of any kind, including charges for boxing, packing, cartage, or other extras will be allowed and Vendor will not be reimbursed for any expenses incurred in connection with the performance of the services and/or delivery of goods, unless approved in advance and in writing by Buyer.

11. SHIPPING INSTRUCTIONS. All packages, packing slips and invoices must be clearly marked with the purchase order number shown on the face of the purchase order.

12. INDEPENDENCE OF THE PARTIES. Vendor (including its employees representatives, agents, subcontractors) shall be deemed to be an independent contractor for all purposes hereunder. Vendor shall not be considered an agent, representative or employee of Buyer for any purpose, and Vendor shall have no authority to enter into commercial negotiations, conclude sales, contract on behalf of or otherwise commit Buyer in any way, save as may be expressly authorized in writing from time to time. Vendor assumes full responsibility for the acts and omissions of its employees, representatives, agents, subcontractors and agrees to hold the Buyer harmless from any claims or damage whatever arising there from. Vendor assumes exclusive liability for any wage or other taxes imposed upon the employer by any law or regulation as to such persons.

13. INTELLECTUAL PROPERTY. Vendor warrants that the goods and/or services purchased hereunder do not infringe any patents and other existing industrial property rights of any third party. Vendor warrants that the services rendered hereunder are and shall be its original work. All work product such as drawings, blue prints, patentable ideas, materials, molds, toolings, and other items prepared by the Vendor in executing the purchase order as well as any services provided hereunder to the Buyer by the Vendor, shall be the property of the Buyer and shall be subject to the Buyer's and its designees' unrestricted use, and such items shall be delivered to the Buyer upon the completion or termination of this purchase order. No reproductions thereof shall be retained except as authorized by the Buyer. Such items shall not be used or disclosed to third parties by the Vendor or anyone under its control without the prior written consent of the Buyer. Vendor agrees to protect, indemnify and hold the Buyer, its successors, assigns, customers and users of its products, harmless from and against all claims and damages, judgment expenses and losses arising from the infringement or alleged infringement of any existing patents or other intellectual property rights. After notice, Vendor shall appear and defend at its own expense all suits or proceedings at law or in equity instituted against the Buyer and shall pay any awards assessed against the Buyer in such proceeding as same are based upon any claim that services purchased hereunder constitute an infringement of any existing patents or other intellectual property rights. All intellectual property rights of any nature whatsoever created by Vendor and arising out of any work undertaken solely in relation to the purchase order shall be automatically and irrevocably assigned to Buyer, free and clear of any liens, claims or other encumbrances, to the fullest

extent permitted by law, as from the date of creation of such works. If required by Buyer, Vendor shall execute, in such form as Buyer may reasonably require, at Buyer's reasonable expense, any documents and take such other actions as may be reasonably necessary to register and/or vest such intellectual property rights in Buyer or Buyer's designee including executing where appropriate, a waiver or an assignment of any rights to which Vendor might otherwise be entitled and giving evidence in proceedings and suits to obtain, maintain and assert any such intellectual property rights.

14. PRICE AND TERMS OF PAYMENT. The price will be specified in the purchase order. Payment by Invatec shall be made within sixty (60) days following the invoice date of Vendor, unless otherwise stated in writing by Buyer and Vendor. Payment shall be made to Vendor's bank account specified on the invoice.

15. APPLICABLE LAWS. Vendor represents that the goods and or services covered by the purchase order was not rendered or manufactured and is not being sold or priced in violation of any law, regulation or administrative ruling.

16. CANCELLATION. Buyer reserves the right to cancel, without any liability or indemnification, the entire purchase order or all or any part of the undelivered portion thereof if Vendor does not make deliveries of goods and/or render the services as specified in the description of work, time being of the essence of this contract or if Vendor breaches any of the terms hereof including, without limitation, the warranties of Vendor. In case of cancellation for any other reason, Buyer shall not be responsible for cancellation charges on parts of goods manufactured and or services performed more than sixty (60) days in advance of purchase order schedule.

17. CHANGE OF ORDER Buyer may at any time, by written change order, suspend performance in whole or in part, make changes in drawings, designs, specifications, change the description of work, method of shipment or packing or time or place of delivery, require additional work or direct cancellation of work. If any such change order causes an increase or decrease in the cost of or the time required for the performance of the purchase order, an equitable adjustment agreed to by both parties shall be made in the contract or delivery date or schedule or both and the purchase order shall be modified in writing accordingly. Any claim for adjustment under this paragraph shall conclusively be deemed waived unless asserted in writing within thirty (30) days from the date of receipt by the Vendor of the change order. The amount of the claim shall be stated when it is submitted. An order change will not be binding on Buyer unless issued by an authorized purchasing employee of Buyer. Nothing in this paragraph shall excuse Vendor from proceeding with the purchase order as changed

18. CHANGE OF SPECIFIC Upon approval by Invatec Spa of the initial specifications, any process changes, design changes or deviations considered by the supplier must be submitted to Invatec Spa in writing for approval. When changes are submitted

for approval, the information submitted must include a complete description of the change and the effect the change will have on all characteristics of the product. Upon request, the supplier shall submit samples of the proposed product for evaluation and approval by Invatec.

19. ASSIGNMENT. The purchase order shall not be assigned by the Vendor without the express consent in writing of the Buyer.

20. TERMINATION. Without prejudice to any other rights of Buyer, Buyer may suspend or terminate any and all commercial relationships with Vendor, and in particular may suspend any purchases without any liability, if Vendor violates any of these General Terms and Conditions of Purchase of Goods and/or Services.

21. ENFORCEABILITY. These General Terms and Conditions of Purchase supersede any previous terms and conditions, in particular the General Terms and Conditions of Purchase previously issued by Vendor. If any of the Vendor's terms of sale are in conflict with the terms of the purchase order, the terms of the purchase order shall govern unless Vendor's terms are accepted in writing by the Buyer. No oral agreement or other understanding shall in any way modify the purchase order or the terms or the conditions thereof. Buyer objects to the inclusions of any different or additional terms proposed by Vendor in his acceptance of the purchase order and if they are included in Vendor's acceptance, these Vendor terms shall be subject to acceptance in writing by Buyer to be effective. However, to the extent these General Terms and Conditions of Purchase conflict with provisions in a separate formal purchase and/or procurement agreement entered into in writing between Vendor and Buyer, the latter shall prevail.

22. WAIVER. No failure to exercise, or delay in exercising, any right hereunder on the part of Buyer shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right hereunder

23. APPLICABLE LAW AND COMPETENT COURTS The purchase of goods and/or services and the transactions concerned by these terms and conditions shall be governed by and construed under the laws of Italy, without reference to principles of conflicts of law. Any controversy or claim arising out of any sale of products or any of the terms or covenants herein shall be settled by the courts of Brescia. The provisions of the 1980 United Nations Convention on Contracts for the International Sale of Goods are expressly excluded.

24. CONFIDENTIALITY Each party shall use Confidential Information only in connection with the performance of its obligations under the purchase order, and not disclose Confidential Information, directly or indirectly, to any person other than its employees and representatives with a need to know for the performance of their responsibilities. Each party shall require all of its employees and representatives who may receive

or have access to Confidential Information to be bound by the terms of this article 23 as a condition of employment or engagement, and, as appropriate, to sign agreements to the same effect. If the law or the rules of any regulatory body, court or other government entity require the relevant party to disclose Confidential Information, that Party is authorized to do so, but only to the extent of the required disclosure. Vendor agrees, in connection with any required disclosure, to inform Buyer immediately of the relevant request for information, and to seek, confidential treatment of all disclosed Confidential Information. Vendor agrees to keep confidential the terms and conditions of the purchase order. This confidentiality obligation includes that Vendor shall refrain from using Buyer's name whether by including reference to Buyer in any list of customers, by advertising in any way that its services and/or products are used by Buyer or otherwise, without the prior written authorization of Buyer.

25. AMENDMENT OF TERMS. Buyer reserves the right to amend these General Terms and Conditions of Purchase without notice and any such changes will apply to purchase orders placed thereafter.

26. SEVERABILITY. Any provision of this General Terms and Conditions of Purchase that is or becomes invalid, prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, prohibition or unenforceability. The ineffectiveness of any provision of this General Terms and Conditions of Purchase shall not invalidate the remaining provisions, unless both parties hereto agree in writing that the spirit of the General Terms and Conditions of Purchase is altered by such ineffectiveness to the point of rendering the whole General Terms and Conditions of Purchase null and void.

27. NOTICES Notices permitted or required to be given shall be in writing and shall be deemed sufficient if addressed to the respective parties at the registered address of either Party and delivered (a) in person if signed by the receiving party for receipt acknowledgement, (b) by registered or certified mail or special carrier, postage prepaid with delivery confirmation, or (c) by facsimile with delivery report (but only if followed by prompt confirmation in accordance with (a) or (b)).