

DODA USA Inc.

255 16th Street South, St. James, MN 56081
GENERAL TERMS AND CONDITIONS OF SALE AND DELIVERY

These General Terms and Conditions of Sale and Delivery (“Terms”) are applicable to all U.S. and Canadian customers (the “Customers” and each, individually, a “Customer”) of DODA USA, Inc., a Minnesota corporation (the “Company”).

1. Terms and Conditions of Sale:

1.1. Company shall sell and deliver to Customer and Customer shall purchase and accept from Company the products (“Products”) described on or in any confirmed order, agreement or quotation, or any combination thereof (“Order”), pursuant to the terms and conditions of the Order and those specified in these Terms, which taken together shall constitute the entire agreement between Company and Customer regarding the Products (“Agreement”).

1.2. No other terms or conditions shall be of any effect unless otherwise specifically agreed to by Company in a separate written agreement duly signed by an officer of Company. Customer will be deemed to have assented to all Terms if any part of the Products is accepted by the Customer. If Customer finds any Term not acceptable, Customer must so notify Company at once and must reject the Products delivered under this Agreement. Any additional or different terms or conditions contained in Customer’s order or response hereto shall be deemed objected to by Company and shall be of no effect. No general terms and conditions of a Customer shall at any time form a part of the content of any contract or agreement between the Customer and Company, even if they are not further expressly rejected by Company.

1.3. Unless otherwise agreed in writing, all quotations for Products are valid for a period of three (3) months from the date of issue. Subsequent modifications in quantity or quality, if such are requested by Customer, generally will cause a modification of the quoted price. Drawings and samples enclosed with any quotation remain the property of Company. All drawings and samples shall be treated confidentially by Customer and must be returned to Company after usage.

1.4. No Order is binding upon Company until the earlier of acceptance of the Order in writing or the delivery of the Products to the Customer. Notwithstanding any prior acceptance of an Order by Company, Company shall have no obligation if the Customer is in breach of any of its obligations hereunder, or any other agreement between the Customer and Company, at the time Company’s performance was due.

1.5. All verbal agreements concerning the terms of any Order, including agreements made by telephone, shall have no force and effect unless and until acknowledged by Company in writing.

1.6. Customer shall bear all costs associated with the cancellation or modification of the Order.

2. Prices:

2.1. All price quotations are EX WORKS (per Incoterms 2000) from Company’s principal place of business or its parent company’s principal place of business in Italy, and do not include costs for packaging, postage or other freight charges, customs duties, insurance or taxes, if any.

2.2. The price of the Products shall be Company’s current prices in effect from time to time. A price list is available on request.

2.3 . The applied currency to the sale of the Products is the currency notified in the Order or otherwise notified by Company in writing. Prices not quoted in USD are connected to an exchange rate specified in the Order. If the exchange rate changes after conclusion of the contract, Company reserves the right to alter the price accordingly or change the price in accordance with the Order from Company.

2.4. Company may, without notice to Customer, increase the price of the Products by the amount of any new or increased tax or duty (excluding franchise, net income and excess profits taxes) which Company may be required to pay on the manufacture, sale, transportation, delivery,

export, import or use of the Products or the materials required for their manufacture or which affects the cost of such materials.

3. Terms of Payment:

3.1. Unless otherwise agreed to in writing by Company, the amount invoiced shall be due and payable prior to delivery of the Products. Customer shall make payments by check or wire transfer to Company’s account without a cash discount or offset and Company shall not be required to incur any expense to receive timely payment in full as required by this Agreement.

3.2. Company may, without notice, change or withdraw extensions of credit at any time. If Company ceases to extend credit terms before shipment, Customer’s sole remedy shall be cancellation of its order. If Customer does not receive notice before shipment, its sole remedy shall be rejection of the Products immediately upon delivery.

3.3. If the Customer fails to make payment on or before the date required, Customer shall pay interest to Company at the rate of one and one-half percent (1.5%) per month or such lesser amount permitted by law. The specification or charging of interest shall not be deemed an agreement to extend credit.

3.4. If Customer fails to observe these Terms or the terms of any other agreements between Company and Customer, or if Customer becomes insolvent, all balances then due and owing to Company shall become due immediately, notwithstanding any agreed upon payment periods. Any Orders that have been confirmed by Company, but not yet filled, shall in such cases become cancelable at the sole discretion of Company.

3.5. Customer does not enjoy a right of set-off under any circumstances.

3.6. The Products shall remain the property of Company until paid for in full.

4. Delivery Terms:

4.1. Title to and risk of loss for the Products shall pass to Customer upon delivery thereof to any common carrier at Company’s site.

4.2. Customer will be billed for and shall pay all freight, transportation, shipping, insurance and handling charges, duties, and taxes, including any applicable VAT, sales, personal property, ad valorem, and other taxes, duties, levies or charges imposed by any governmental authority, irrespective of whether applicable law makes such items the responsibility of the buyer or seller, but excluding any taxes payable by Company with respect to its net income.

4.3. Company or its agent may select any commercial air, ship, motor or rail carrier or any combination thereof for the transportation of the Products and will notify Customer thereof at the time Customer places each Order. Company will make deliveries of the Products in the quantities ordered as near as reasonably possible to Customer’s requested delivery dates.

4.4. Company shall use its reasonable efforts to deliver the Products to Customer by the agreed upon date. The parties hereto agree that the requested delivery dates shall therefore not be a strict deadline. If delivery is delayed due to force majeure (section 10) or due to any actions or circumstances attributable to the Customer, the time of delivery shall be extended by a period which is reasonable with regard to the circumstances. In all other events of late delivery, Company must be given a reasonable time in which to still fulfill the Agreement. If this further period is exceeded, the Customer shall only be entitled to terminate the Agreement in respect of the Products that have not yet been delivered.

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4.5. Company shall not be liable to Customer for any damage that results from delays in delivery for any reason or damage to the Products while in transit, irrespective of whether Company or Customer determined the mode of transportation. The Customer shall in no event be entitled to special, indirect, exemplary, consequential or similar damages arising or resulting from any delivery delay or damage to the Products while in transit.

4.6. In cases of deliveries of Products manufactured to Customer's specification ("Special Orders") and unless otherwise agreed to in writing, all tools, models, plans, blueprints or other devices and/or documents used and/or developed by Company (the "Tools") in order to fulfill any Order or Special Order are the property of Company, even if the cost of development and/or manufacturing of such tools, models, plans, blueprints or other devices and/or documents was wholly or partially borne by the Customer.

5. Warranty Liability:

5.1. Company warrants to its customers that all Products manufactured by Company will be free from defects in material and workmanship for twelve (12) months from the date of shipment. All warranty claims must be submitted to Company within ten (10) days of discovery of defects within the warranty period, or shall be deemed waived. Company's sole responsibility hereunder shall be to furnish replacements for such defective products or parts without charge f.o.b. its factory. This warranty shall not apply to any Product that has been subject to misuse, misapplication, neglect (including but not limited to improper maintenance and storage), accident, improper installation, modification (including but not limited to use of unauthorized parts of attachments), adjustment or repair. Further, this warranty shall not apply to damage, loss, or diminution of or to any Products resulting from or related to normal wear and tear, or usage of wear parts. All spare parts come tested but with no warranty. Identifiable items manufactured by others but installed in or affixed to Company's Products are not warranted by Company.

5.2. WITH THE EXCEPTION OF THE EXPRESS WARRANTIES SET FORTH IN SECTION 5.1 OF THIS AGREEMENT, COMPANY DOES NOT MAKE ANY, AND HEREBY DISCLAIMS ALL, WARRANTIES, EXPRESS OR IMPLIED IN CONNECTION WITH THIS AGREEMENT, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF TITLE, NONINFRINGEMENT, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR ARISING OUT OF ANY COURSE OF DEALING AND OF ANY OBLIGATION OR LIABILITY OF ANY KIND OR NATURE WHATSOEVER. No representative of Company has authority to waive, alter, vary or add to the terms hereof without prior approval in writing.

5.3. Company's liability for its products, whether in contract, negligence, or strict liability in tort, is limited to the repair or replacement of the product, or the parts thereof.

5.4. THE TOTAL LIABILITY OF COMPANY HEREUNDER SHALL AT ALL TIMES BE LIMITED TO THE INVOICE VALUE OF THE DELIVERED PRODUCTS AS A RESULT OF WHICH OR IN RELATION TO WHICH THE DAMAGE AROSE. IN NO EVENT, WHETHER AS A RESULT OF BREACH OF CONTRACT, BREACH OF WARRANTY, TORT LIABILITY (INCLUDING NEGLIGENCE), STRICT LIABILITY, OR OTHERWISE, SHALL COMPANY BE LIABLE TO THE CUSTOMER FOR SPECIAL, INDIRECT, EXEMPLARY, CONSEQUENTIAL OR SIMILAR DAMAGES (INCLUDING WITHOUT LIMITATION LOSS OF USE, INCOME, PROFIT OR PRODUCTION, OR INCREASED COST OF OPERATION, OR SPOILAGE OF OR DAMAGE TO MATERIAL ARISING IN CONNECTION WITH THE SALE, INSTALLATION, USE OF, INABILITY TO USE, OR THE REPAIR OR REPLACEMENT OF, ITS PRODUCTS) OF ANY NATURE UNDER THIS AGREEMENT.

6. Indemnification:

The Customer shall indemnify, defend and hold Company, and Company's affiliates, and their respective officers, directors, employees, agents and representatives, harmless from and against any and all losses, claims, costs, expenses (including, without limitation, reasonable attorneys' fees and expenses), liability, demands and causes of action of every kind and character, including but not limited to the amounts of judgments, penalties and interest, relating to or arising from bodily injuries to or death of any person, or damage to property (including any contamination of or diminution in value of property), arising from or relating to (i) the Products sold to the Customer hereunder; or (ii) the Customer's performance hereof, breach of this Agreement, negligence or willful misconduct or violation of law. This paragraph shall survive any termination hereof.

7. Returned goods:

No goods will be accepted for return unless previously authorized in writing by Company.

8. Limitations:

Any action by Seller of Buyer pertaining to a sale hereunder must be instituted within one year after the accrual of the claim upon which the action is based.

9. Changes:

If quotation provides for products to be custom made for special applications, the quoted price is applicable only where correct measurements requirements are provided by the Customer by print. Company reserves the right to terminate such orders without obligation to either party if, in its opinion it is not possible to meet the required specifications. If changes in fabrication or design are required by reason of incorrect measurements furnished or deviation from prints submitted, the cost of such changes shall be at the customer's expense and shall be added to the quoted price.

10. Force Majeure:

Neither nonperformance nor delay in performance by either party (except payment by the Customer for the Products delivered) shall be a breach hereof or create any liability for damages, if due to any cause or causes beyond the party's control, including but not limited to: labor controversies; governmental agency orders or court decrees; hurricanes or other natural disasters; acts of God; acts of war; acts of terrorism; changes in law; inability to use the full capacity of plants or facilities as a result of governmental action, machinery malfunctions or breakdowns; and inability to obtain fuel, power, or materials necessary to produce the Products, labor, containers or transportation facilities, all without litigation or the payment of penalties or unreasonable prices, or the acceptance of unreasonable terms and conditions. A circumstance beyond the control of the parties, whether occurring prior to or after the formation of the Agreement, shall give a right of suspension only if its effect on the performance of the contract could not reasonably have been foreseen at the time of the formation of the contract.

11. Governing Law; Jurisdiction:

This Agreement and its performance will be governed by the laws of the state of Minnesota and the United States of America without regard to any conflicts of laws rule. The parties hereto consent and submit to the exclusive jurisdiction of, and agree that venue is only proper in, the state and federal courts in the state of Minnesota, United States of America, for any matter relating to this Agreement. The parties expressly disclaim the applicability of the United Nations Convention on the Sale of Goods.

12. Termination:

Company may terminate this Agreement or suspend further deliveries hereunder, among other remedies, if (a) the Customer fails to pay for any one shipment, when the same becomes due, in accordance with this Agreement, (b) the Customer breaches any other covenant hereof and

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fails to remedy such breach within thirty (30) days after written notice thereof from Company or (c) the Customer is involved in any financial difficulty as evidenced by (i) an assignment for the benefit of creditors, or (ii) an attachment or receivership of assets not dissolved within thirty (30) days, or (iii) the institution of bankruptcy proceedings, whether voluntary or involuntary, which is not dismissed within thirty (30) days from the date on which it is filed.

13. Assignment:

This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns; provided, however, that neither party may assign its interests herein without the prior written consent of the other, except:

(A) To an entity which shall succeed to its rights and obligations by merger, consolidation or other reorganization or transfer by operation of law or by purchase of the business of or substantially all of the assets of the assigning party; provided that no such assignment shall relieve the assigning party of its obligations hereunder without the prior written consent of the other party; or

(B) To a subsidiary or parent company, or parent or subsidiary of a parent company; provided that no such assignment shall relieve the assigning party of its obligations hereunder without the prior written consent of the other party.

14. Entire Agreement; Modification:

This Agreement constitutes the entire contract of sale and purchase of goods, and neither party shall be liable for, or bound in any manner by any representations, guarantees or commitments except as specifically provided herein. No modification of this Agreement shall be of any force or effect unless in writing and signed by the party claimed to be bound thereby, and no modification shall be affected by the acknowledgment or acceptance of purchase order forms containing different conditions.

15. Severability:

If any provision of this Agreement shall be found by a court to be void, invalid or unenforceable, the same shall either be revised to comply with applicable law or stricken if not revisable, so as to not affect the validity or enforceability of this Agreement.

16. Waivers and Extensions:

No waiver of any breach of any agreement or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof or of any other agreement or provision herein contained. No extension of time for performance of any obligations or acts shall be deemed an extension of the time for performance of any other obligations or acts.

17. Fees:

In any dispute under this Agreement, Company shall be entitled to recover its costs and expenses of enforcing this Agreement, including but not limited to its attorney fees.