

I. Scope of application

The tender offer for GALÍ INTERNACIONAL SA implies the acceptance of these Purchase Terms and Conditions. All supplies or services procured by GALÍ INTERNACIONAL are defined by the Purchase Orders as well as the General Conditions. Modifications of the terms and General Conditions shall have no effect unless they are submitted in writing and accepted by GALÍ INTERNACIONAL.

II. Offer – Award – Purchase Order

In the requests for quotation the special conditions shall be indicated such as the deadline for submission of the same and the technical specifications to be met by the product. Bids must have a minimum validity period of 30 calendar days from the deadline for submission of the same or of the date of receipt thereof. The offer should include price and delivery time.

The formalization of the award shall be made by Purchase Order or Contract. GALÍ INTERNACIONAL must receive within the following 2 working days of the issuance of the Purchase Order, a stamped and signed copy in sense of acceptance.

In the case GALÍ INTERNACIONAL does not have proof of this reception GALÍ INTERNACIONAL reserves the right to cancel the Purchase Order. If there is an error in the Purchase Order or condition not accepted, the Supplier shall indicate this to GALÍ INTERNACIONAL within the following 2 working days in order to make the necessary modifications provided that GALÍ INTERNACIONAL considers it justified.

If modifications occur, GALÍ INTERNACIONAL shall send them in writing within 1 working day of its acceptance. If the Supplier does not receive them in writing it shall not be valid any of modifications requested.

III. Delivery

The goods shall be delivered on the date stipulated in the Purchase Order. In the event the Supplier breaches the date fixed for delivery, GALÍ INTERNACIONAL may choose to cancel the Purchase Order at no cost to GALÍ, or reject the material submitted outside the time agreed upon with the total or partial termination of the Purchase Order, or apply a penalty equal to 5% of the amount of the Purchase Order for every week of delay up to a maximum of 15%. These amounts may be deducted from the amounts due from the Supplier. If the goods are received before the date fixed, the Supplier shall respect the date agreed in the Purchase Order.

IV. Price and delivery conditions

The price and the form of delivery shall be stated in the Purchase Order. No changes will be accepted on the terms agreed in the Purchase Order or in the Contract Documents. GALÍ shall not accept any goods transported differently to herein agreed with GALÍ INTERNACIONAL, otherwise GALÍ reserves the right to reject the goods at no cost to GALÍ. The goods will be packed properly to avoid damage in transit. For packages over 25 kg, palletizing is foreseen, as long as the conveyed does not contraindicate this operation due to special features. Pallets, absent agreement to the contrary, shall not be returned by GALÍ INTERNACIONAL. The goods are considered delivered at the time they are unloaded at our facilities, provided they meet the conditions and agreed characteristics, reserving the right to claim or return on behalf of the Supplier if after having made the quality control is found that it does not conform to the agreement. This claim or return may also occur in the event that these anomalies were detected in the finished product, being possible a requirement of the cost of the guarantees that GALÍ INTERNACIONAL ought to assume from its Customers. If the goods are collected by GALÍ INTERNACIONAL by notice of the Supplier, the delivery date used for the calculation of the payment conditions - as long as it is respected the date stated in Purchase Order- shall be considered as next following working day after notification.

V. Supplier Organization

The Supplier shall act as completely independent businessman and it shall be placed entirely on the Supplier the responsibility of its staff or of its sub-contractors personnel. He shall have to fulfill all that is disposed in the Labor Law, Social Security and Occupational Risk Prevention. Similarly, the Supplier assumes to comply with legislation relating to the environment, as well as to make available for GALÍ INTERNACIONAL the documentation about these issues if required.

The Supplier shall inform GALÍ INTERNACIONAL if outsources to a third party to entrust the realization of part or all of a Purchase Order. GALÍ INTERNACIONAL must give express permission to the Supplier in order to permit this outsourcing. The Contracted Supplier shall assume all liabilities that may arise from the performance of their subcontracts.

VI. Privacy

The Supplier agrees not to disclose confidential information to which access has been established thanks to the contractual relationship, being of particular importance the Buyer's own data. Similarly, the Supplier agrees not to retain any copies of such information after termination of the contractual relationship. The Supplier shall inform their personnel and others that could be outsourced about this confidentiality obligation acquired, assuming the liabilities arisen from its failure to comply.

VII. Payment and Invoicing

The invoice must collect: the Purchase Order number; the numbers of the notes that are invoiced; the invoice number; the due date; the date of the invoice, being always equal to or later than that of the notes invoiced; the disaggregated notes invoiced; the units of references invoiced and unit price. GALÍ INTERNACIONAL reserves the right to accept or reject the invoices containing inaccurate information or issued differently than as agreed. If GALÍ INTERNACIONAL must await the receipt of any document, it shall be considered as date of delivery the one of the entry of the document and not the date of receipt of the material. Invoices are a single document, so GALÍ INTERNACIONAL shall accept or reject them in their entirety.

GALÍ INTERNACIONAL only accepts the due date of the invoices provided they are received within 15 following calendar days from the date thereof. The payment will be established in the Purchase Order or Contract. If there are no conditions to the contrary in writing and signed by GALÍ INTERNACIONAL, the normal form of payment will be applied being the fund replenishment after 60 days from invoice date, in line with the 15th and 30th of each month by bank check.

VIII. Warranties and Product Liability

Supplier warrants the products, goods and equipment against all defects in design or manufacture for one year from its commissioning. If there are any anomalies in its functioning or impairment, the Supplier shall repair or replace the item provided to GALÍ's satisfaction and pay the cost of the guarantees, which due to alien causes, GALÍ INTERNACIONAL should provide to their customers. Repairs or replacements should be done under the same guarantee conditions that the initial product.

The Supplier is responsible for any loss or damage occurred in goods property of GALÍ INTERNACIONAL that may be found temporarily in Supplier's possession, as well as taking responsibility for their proper condition. If necessary, the Supplier shall instruct GALÍ INTERNACIONAL the equipment or items that should be checked or repaired for proper operation, as long as the deterioration or malfunction has not occurred by the Supplier malpractice.

The Supplier undertakes to notify GALÍ INTERNACIONAL any existing anomaly in the GALÍ INTERNACIONAL supplied parts to fulfill a Purchase Order awarded. This notification shall occur immediately upon detection and it shall mean the cessation of the Purchase Order in question. GALÍ

INTERNACIONAL meanwhile, agrees to assume the delivery of the goods and the invoicing of the work performed in the Purchase Order until then. The remaining amount of the Purchase Order shall be considered void.

IX. Intellectual Property

The technical drawings, which GALÍ INTERNACIONAL could provide, are owned by GALÍ. Hence, neither the Supplier shall disclose any information provided by them nor use them to supply products to other potential customers. The Supplier also agrees not to use these drawings for their own benefit unless there is the written consent of GALÍ INTERNACIONAL or for fulfilling GALÍ INTERNACIONAL's Purchase Orders awarded.

The moulds, dies, matrices and prototypes that are ordered by GALÍ INTERNACIONAL are GALÍ owned and shall be delivered to the first request of them. Maintenance, custody and any liability arising from them shall be responsibility of the Supplier while remaining in their facilities.

X. Resolution

As follows, these shall be the causes of contract termination:

- The death or incapacity of the Supplier, as well as the termination of the legal personality of the Supplier. Provided there is the written consent of both parties.
- If there are situations that could indicate the insolvency of the Supplier.
- The existence of evidence regarding the Supplier breach of contractual agreements. In such case, GALÍ INTERNACIONAL may terminate the contract unilaterally, formalizing this termination in writing to the Supplier.

Neither party shall be liable for breach of their contractual obligations as a result of Force Majeure as stated in Article 1105 of the Spanish Civil Code. This cause shall be notified the other party within a maximum of 48 hours. When subsisting the force majeure after 120 days past from the date of delivery of the Purchase Order, GALÍ INTERNACIONAL shall notify the continuation or termination of the contract.

XI. Jurisdiction

With the award of the Purchase Order, the Supplier undertakes to these General Conditions of Purchase, unless there is not another agreement in writing form admitted by both parties

If there is any discrepancy in the interpretation of these conditions or on any point not covered by these conditions, the Buyer and Supplier shall be subject to the exclusive jurisdiction of the courts of Sabadell, expressly waiving their own jurisdiction.

June 27th, 2008 **Va**