

## GENERAL PURCHASE CONDITIONS OF ASHWORTH BELTS B.V.

### 1. Terminology

In these conditions the following terms shall have the meaning hereby assigned to them:

1. Agreement – these General Purchase Conditions, the Purchase Order as well as all documents which are attached thereto and form an integrated part thereof.
2. Purchase Order – a written document, issued by Ashworth Belts B.V.'s Purchasing Department (Ashworth), to order parts, containing detailed information concerning price, time of delivery, article description and delivery address of one or more-part numbers. The Purchase Order should always bear a legal signature.
3. Specifications – details, laid down in specification documents, standards, Drawings and the like, which specify the Parts, which are covered by this Agreement, as well as the way in which these parts are to be engineered, manufactured and handled.

### 2. Scope

1. These General Purchase Conditions shall apply to any offer, any agreement and any Purchase Order between Ashworth or companies affiliated to it on the one hand and Supplier on the other hand.
2. All orders, commissions, amendments thereto and/or verbal agreements are only binding upon Ashworth when placed, given or confirmed by means of a Purchase Order.

### Parts Purchase Conditions:

#### 3. Specifications

1. The Parts shall be, in all details, in accordance with the agreed Specifications.
2. Ashworth reserves the right to modify the Specifications. The consequences of such modification in respect of, for instance, price, timing, and quantity, are to be resolved in an appropriate and mutually agreeable manner. The fact that the parties do not reach a resolution shall in no way entitle Supplier to cease the delivery of these parts.

#### 4. Guarantee

1. The Supplier is bound at the first notification of Ashworth to repair free of charge all faults, defects and damage in or to the products which appear within a period of 12 months (or as much longer as agreed) of the putting into operation of the product or of the object in which the products supplied by the Supplier have been incorporated, if cause for these faults, defects or damage originates in the product supplied by the Supplier. Repair may also take the form of delivery of a new product, such always at the choice of Ashworth. If there are defects in the provision of a service within the stated time limits, the service in question shall be repeated at the Supplier's expense.
2. If the Supplier fails to comply with the above obligations Ashworth shall be entitled to perform what is required or have it performed by third parties without authorization by the court and at the Supplier's account and risk.
3. The Supplier bears full responsibility for repair or replacement costs for any warranty issues that are determined to be due to workmanship, usage of substandard or incorrect materials, failure to adhere to written specifications, and freight damage or loss between the Supplier's point of shipment and Ashworth's designated receiving agent.

#### 5. Delivery

1. The Supplier is obliged to adhere strictly to the delivery date or dates stated in the Purchase Order. The Supplier is obliged to inform Ashworth if the agreed delivery date threatens to be exceeded. If extension beyond the delivery date is not accepted by Ashworth in writing, Ashworth shall be entitled in all cases to cancel the order without giving notice of default or intervention by the court and without prejudice to any other of its rights.
2. Partial delivery is only permitted with prior written permission from Ashworth.
3. The Supplier shall be responsible at his own expense and risk for the collection and disposal of surplus and waste materials produced during the delivery and / or the execution of the contracted works.

#### 6 Price

1. In the event that, upon a proposal made by Ashworth, Supplier introduces design changes, production changes or other changes of the Specifications related to the Parts, which lead to a reduction in the cost, the price shall be reduced in conformity with such cost reduction, taking into account additional costs in respect of tooling that may arise as a consequence.
2. In the event that, upon a proposal made by Supplier and accepted by Ashworth, Supplier introduces design changes, production changes or other changes of the Specifications related to the Parts which lead to a reduction in cost, such cost reduction shall be discussed and mutually agreed between Supplier and Ashworth after having taken into account non-repetitive expenditures as to the manufacture of tools, depreciations on investments and the like.
3. Price changes shall come into force by means of a new Purchase Order to the extent that such changes are acknowledged therein. No price increase, except material price (surcharge) changes, shall be introduced during the period of term of this Parts Purchase Contract.

#### 7 Payment

Payment shall only take place after 60 days upon receipt of an invoice. Supplier shall only send an invoice to Ashworth upon delivery by supplier of the Parts to Ashworth.

#### 8 Property of Ashworth and industrial property rights

1. All resources made available to the Supplier by Ashworth or otherwise created or acquired by the Supplier for and upon the instructions and at the expense of Ashworth will remain or, as the case might be, become the property of Ashworth.
2. The Supplier will make sure that such resources (including tooling) are kept in good condition, are insured against fire and theft, and remain insured for as long as they are under its supervision. Supplier is not permitted to use the resources (including tooling) for any purpose other than that of preparing the products for delivery to Ashworth. Likewise, it may not be permitted to make these resources (including tooling) available to third parties.
3. The Supplier is obliged to take steps to guarantee the confidentiality of all the data, information and other resources referred to in paragraph 1, which may have passed on to it by Ashworth.
4. The Supplier guarantees that the products to be delivered by him to Ashworth do not infringe any industrial property rights of third parties and it indemnifies Ashworth against any claims made against Ashworth on these grounds. The Supplier shall compensate Ashworth for any expenses, losses or interest incurred as a result of any infringement.

#### 9 Liability

1. The Supplier is liable for all damage which may be caused to or through the products or services supplied by the Supplier as a result of faults or defects in the said products and / or services, both under the above guarantee and under the provisions of Dutch civil law.
2. The Supplier shall indemnify Ashworth against liability to third parties and shall compensate Ashworth, where necessary.
3. The Supplier shall take out adequate (min. Euro 1,000,000) insurance against liability as defined in this article and send Ashworth a copy of the policy.

#### 10 Duration and termination

Ashworth may terminate the Agreement immediately, without notice or any other procedure, in the event that Supplier ceases business, in case of bankruptcy or insolvency proceedings are applied for in respect of Supplier. This also applies if such event is result of force majeure.

#### 11 Confidentiality

1. The Supplier must maintain complete confidentiality of customer information. Communication on any and all orders must be solely between the Supplier and Ashworth. No attempts will be made by the Supplier to engage Ashworth's customer and / or end user or employees for any reason at any time.

2. The Supplier is by operation of law in default if the Supplier on purpose acts contrary to the provisions in this article and will forfeit a penalty of € 25,000, -- for every breach as well as a penalty of € 5,000, -- for every day the breach continues after the written notification of breach by Ashworth, notwithstanding the right of Ashworth to claim full indemnification.

#### 12 Disputes

1. All disputes shall be adjudicated upon by the competent court in Amsterdam, The Netherlands, unless another court is competent under an imperative statutory provision.
2. This Agreement shall be solely governed by and construed in accordance with the laws of The Netherlands. Parties expressly and totally exclude the application of the United Nations Convention on contracts for the international sales of goods (CISG).

#### Logistic agreement

Provisions outlining the conditions for reliable deliveries of goods from Supplier to Ashworth.

#### 13 Logistic definitions

1. Working day – every day, except Sunday or any public holiday in the country of establishment of either Ashworth or Supplier.
2. Raw materials – materials needed for the manufacture of a part not yet treated by Ashworth do not meet the specifications of a part and are consequently not ready for delivery to Ashworth.
3. Part - a component meeting Ashworth's specification, and ready for delivery to Ashworth.
4. Obsolete materials – Raw materials or parts in stock in Suppliers warehouse which for any technical, commercial of other reason will not be supplied to or used by Ashworth.

#### 14 Purchase orders

1. Ashworth will send a one-off order to Supplier who should deliver as per agreements mentioned in the Purchase Order.
2. In case of a first order passed to Supplier for a part number, Ashworth should add a drawing and New Product Requirements of this Purchase Order.
3. Ashworth will not send a drawing or New Product Requirements if the same part number has been ordered before, this within a one-year prior to the new order.
4. Ashworth's order number should always be listed on delivery and on the invoice.

#### 15 Stock

1. Supplier is entitled to keep stock in Raw materials and finished parts in conformity with the maximum volumes stated in the addendum.
2. In case Ashworth requests Supplier to change the volume, to modify the part specifications, or to completely stop the production of a part, the supplier is to notify Ashworth in writing, within two Working days after receipt of such a request, about the stock levels of Raw materials and/or finished Parts for the relevant Parts. If Supplier does not inform Ashworth within two Working days, it will be considered as not possessing any stocks.
3. Supplier certifies and guarantees that in case of Obsolete materials need to be scrapped the legal provisions in this respect should be observed. Supplier should protect Ashworth from any claims from third parties as a result of any damage caused by scrapping Obsolete materials. Any scrapping of Obsolete materials needs prior written consent of Ashworth.

#### 16 Identification, packing and transport

1. The Supplier is to pack the Parts in accordance with ISPN15 standards and without any mention of the Supplier.
2. Every delivery should be packed in such a way that the Parts are protected against damages, weather conditions etc. and that Parts can not be mixed during transport.
3. Ashworth remains the right to change the packaging requirements.
4. Transport documents and the actual delivery should contain the following data: Purchase Order number, Batch number, Quantity of Parts, Ashworth article number, Article description, Gross weight, net weight and weight of packaging material per colli.

#### 17 Transport

1. Supplier is responsible for transport and guarantees the quality and clean state of both Parts and packaging materials until delivery at final destination shall have been completed.
2. Ashworth is responsible for return shipment of return packaging.
3. If Ashworth provides Supplier with Raw material, Ashworth shall be responsible for that transport.

#### 18 Documents

1. Ashworth shall send Supplier instructions containing references to the required documentation accompanying the shipment.
2. Supplier guarantees that Parts supplied are accompanied by a packing list and that Supplier has adhered to the pertaining instructions.

#### 19 Logistic Conditions amendments and alterations

Specific amendments or alterations to the terms of this Agreement are to be determined between Ashworth and Supplier and will only be valid if they are expressly laid down into the General Purchase Agreement addendum and signed by the parties.

#### Quality agreement:

Provisions outlining the conditions for Quality Assurance to be complied by Supplier of parts, assemblies and materials.

#### 20 Quality Requirements

1. Quality system - Supplier shall implement and maintain a Quality system. The Supplier must have a strategy for continuous improvement with management involvement.
2. Acceptance – Supplier has read, understands and agrees to all Drawings, Specifications and test conditions supplied by and/or approved by Ashworth;
3. Parts conform to requirements – Supplier shall of all time meet the provisions of the Specifications/Drawing. The Supplier shall establish and maintain procedures to ensure that Parts not conform to the Specifications are prevented from being used inadvertently.
4. Change request – Supplier shall not change, modify and/or introduce innovations regarding the production process and/or Parts after start of serial delivery without approval from Ashworth.
5. Supplier evaluation – for the purpose of Supplier evaluation and Part certification or in case of quality problems, representatives of Ashworth will be allowed, upon request, to the Suppliers inspection/test department and the production process and will be given access to all documents and data necessary for evaluation of Suppliers quality systems.
6. Corrective actions – Deliveries shall not contain non-conforming Parts. In case non-conforming Parts are delivered, Ashworth will take immediately action to solve the discrepancy. Ashworth reserves the right to return such defective material or Parts to the Supplier, including the remainder of the shipment and to claim damage from Supplier. The Supplier will receive a Corrective Action Request. Immediate corrective action must be taken within 24 hours after receipt of the complaint. Planned permanent Corrective action must be forwarded within 10 working days.
7. Inspections - Inspection at the Supplier shall as a minimum take place according to a Control Plan. Following a request from Ashworth, information about the items as described in the Quality Agreement must be made available to Ashworth within 24 hours.
8. Record retention - Supplier shall archive the inspection results for a period of at least 3 years in such a way that they can easily be acquired or reproduced at the request of Ashworth.
9. Packaging specification – Supplier shall establish and maintain procedures for handling, storage, packaging and delivery to ensure methods and means of handling that prevent damage and/or deterioration.