

# General Conditions of SALE

## 1.- DEFINITIONS

1. In these General Conditions of Sale (hereinafter GCS), the following terms shall have the interpretations given below:
  - "Seller": means any company belonging to Velatia contained in the offer or any other document that is of application for these GCS.
  - "Buyer": Any natural person or legal entity with whom or who the Seller contracts or sells "the Products";
  - "Product(s)": means products, or part thereof, which are the subject matter of the contract, as described in these GCS terms and conditions and, where appropriate, in the purchase order confirmation made by the Seller.
  - "Delivery": final preparation of the supply and disposal of the products in Free Carrier (FCA) at Seller's Premises conditions (Incoterms 2010).

## 2.- GENERAL

1. Unless otherwise specified, all sales of the Products made by the Seller are subject to these GCS. Other conditions or agreements specified not expressly incorporated herein shall have no value or legal effect unless they have been expressly accepted in writing by the Seller.
2. The execution of any order, agreement, contract etc. shall entail the waiver by the Buyer of its own general conditions of sale and/or any other stipulation, and acceptance of these GCS.
3. All orders must be made in writing and shall be subject to the Seller's express consent.
4. It shall be considered that the Buyer has been notified of these GCS from the moment that it receives a quote from the Seller, together with these GCS. Alternatively, they shall be considered as having been notified if the Buyer has received them beforehand in the course of its commercial relationship with the Seller, in which case they shall be considered accepted by the Buyer when processing the order.
5. Any amendments, changes or addenda to these GCS shall require written agreement between both parties for validity.
6. Should a competent Court declare any of the clauses in these GCS null and void, such a declaration shall not affect the other clauses herein, which shall continue to be valid. In this case, the parties shall negotiate and try to reach an agreement on the text of an alternative article, which shall replace the voided clause, and which shall be similar to it in both intent and contents.

## 3.- DELIVERY PERIOD

1. Any period quoted by the Seller for delivery of the Products shall be deemed an estimate only and non-binding as the Seller shall make every reasonable endeavour to meet such delivery date, however, it shall not be liable for the consequences of any delay.
2. The Seller may make partial deliveries with partial invoicing in accordance with partial acceptance by the Buyer, unless the Buyer, taking into consideration the interests of both parties, cannot reasonably carry out partial acceptance.
3. In the event of a delay in the delivery of the equipment and materials of the order which is directly attributable to the Seller, the Buyer shall apply the penalty previously agreed with the Seller, with this penalty being the only compensation allowed due to the delay, and which may not exceed the total value of the delayed Product.

4. The Buyer may not reject the supply of the Products, suspend fulfilment of its obligations, in particular those regarding payment, nor seek to terminate the agreement unless it detects serious or wanton negligence in the Seller's delay.

## 4.- TRANSFER OF PROPERTY AND RISKS

1. Unless otherwise specified in the contract, the delivery conditions shall be Free Carrier (FCA) at Seller's Premises (Incoterms 2010).
2. The Buyer shall report the name of the transport agent within ten (10) days of approval of the order by the Seller. The Seller, for its part, shall inform the Buyer of the availability of the Products at its facilities, once loaded on the means of transport designated by the Buyer, within the delivery period. If the Buyer fails to comply with the agreement provisions, the risk shall pass to the latter from the date of the material being ready for consignment by the Seller, and the Seller shall be authorised to store the products at the expense and risk of the Buyer, charging the Buyer storage costs at a minimum of 0.5% of the invoice amount for each week or fraction thereof, with the price of the products being considered immediately due and payable. Once a period of one (1) month has passed from the price due date, the Seller may transfer the Products in a reasonable manner without having to report this circumstance to the Buyer in order to recover any costs and losses incurred, without prejudice to the payment obligation that the Buyer has incurred.
3. The Seller expressly retains the property of the Products and shall continue to do so until payment has been received by the Seller in full. If the Buyer has instigated a bankruptcy proceeding or similar, it shall refrain from including the cited Products in its assets, and shall immediately notify the Seller of such circumstances.
4. The Buyer is under the obligation to proclaim the existence of the retention of title where appropriate in any circumstances. The Buyer shall be obliged to retain in its possession the Products with due care and diligence and shall insure the goods against any possible risk.
5. On that basis, the Buyer shall refrain from carrying out any act of disposal, assignment or lien, of any title, in respect of the goods, even if any sum of the supply amount is pending payment. In the event that the Buyer proceeds with the sale of the Products, the Seller may demand the payment again from the new Buyer, even if it had been incorporated into other products.

## 5.- PRICE

1. All prices are net prices, excluding any type of tax, VAT, duty or levy, which shall be subsequently passed on in the invoice with the corresponding rates. Unless otherwise specified in writing between the Buyer and the Seller, the supply prices do not include packaging costs, transport, including unloading, insurance and customs, which shall be borne by and at the risk of the Buyer and such additional expense shall be added to the sales price accordingly.
2. As a general rule, in the event that there are quotes prior to an order, the prices are valid for one (1) week, and during this period they shall be regarded as fixed payment terms and conditions as specified in this quote.

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3. If the costs or materials used by the Seller for the manufacture of the Products were modified after the date of the Seller's quote to the Buyer, the Seller may pass on to the Buyer such increases with prior notification. In this case, the Buyer shall have seven (7) days from receiving this notification to cancel the order, without any type of liability by either party, save for the case of the Supplier having already started to manufacture the Products. In the event that the Buyer does not refuse the increase in the price in the abovementioned period, i.e., seven (7) days, the new price shall be regarded as accepted between the parties for all purposes.

### 6.- PAYMENT TERMS

1. Payment terms must be in accordance with Act 3/2004, of 29th December, which establishes means to prevent late payments in commercial operations, and the maximum deadlines set out in the Act must be complied with.
2. Unless otherwise specified in writing, payment of all placed orders shall be made up-front or by means of an irrevocable and confirmed letter of credit to the satisfaction of the Seller.
3. All invoices issued by the Seller shall be regarded as approved and accepted unless the Buyer shows its dissatisfaction in writing to the Seller within seven (7) days of receipt.
4. In the case of partial deliveries, the Seller shall be authorised to invoice and require payment for each partial payment, as well as to issue partial invoices, and the Buyer shall be obliged to pay said invoices in accordance with these GCS.
5. The payment date shall be the day on which the Seller effectively receives payment.
6. If the amount owed has not been settled on the established payment date, the Buyer shall pay the Seller, without any need for prior notification, interest for late payment, calculated from the due date in accordance with Act 3/2004, of 29th December, without prejudice to any other right corresponding to the Seller, including the right to recover any judicial and/or extrajudicial costs which it may incur in order to collect the amounts owed. Payment of such interest shall not release the Buyer from the obligation to complete the other payments in the agreed conditions.
7. The payment period shall be an essential term of the agreement, accordingly should the Buyer fail to comply with its payment obligations, such as failure to make payment on the due date or in its entirety, the Seller shall be entitled to suspend any commitment or obligation in respect of the Agreement until the Buyer honours its obligations, or even to terminate the Agreement, without prejudice to the Seller's right to recover any damages caused by the late performance or even the non-execution of the Agreement.

### 7.- TERMINATION

1. If the Buyer commits a breach of any of its obligations or there is a reasonable doubt as to whether these obligations will be performed, the Seller shall be authorised to terminate the agreements by way of written notification to the Buyer. It shall also be authorised to recover its ownership of the Products, but this provision shall not prevent the Seller from taking action to enforce any other rights hereunder, in particular the right to recover all damages occasioned, including all legal and/or extrajudicial costs and the payment of all other amounts outstanding or those pending that shall be considered as due and payable in relation thereto.
2. The Buyer does not have the right to terminate the Agreement, except after payment to the Seller of all the sums outstanding

up to this moment, including those not yet due, as well as any other damages that the Seller may sustain.

### 8.- FLAWS

1. The Buyer shall inform the Seller of the existence of any flaws within forty-eight (48) hours of delivery of the Products, i.e. when the Seller has loaded them on the means of transport provided by the Buyer.
2. Apparent defects or flaws are understood to mean those relating to any shortage in the number of parts of the Products or defects in the quality or state of the Product which can be appreciated through visual inspection or minimum control upon delivery of the Products to the Buyer.
3. Should no claim with respect to defects be made within the abovementioned period, it shall be deemed that the goods have been received in a perfect condition and state and to the satisfaction of the Buyer.

### 9.- WARRANTY

1. The Seller guarantees all the supplied Products for twelve (12) months from the notification that the supply is loaded and available on the means of transport provided by the Buyer, provided the claim has been reported in writing to the Seller within forty-eight (48) hours of them being detected, or of when they should have been detected, and always within the aforementioned deadlines. Likewise, the Buyer must show that the flaws or defects have arisen solely as a direct result of the Seller's errors or lack of due diligence.
2. The warranty consists only of the repair or replacement (at the option of the Seller) in a reasonable period, of the Products that have been recognised as defective due to material or manufacturing defects. The repairs are understood as made in the factory of the Seller; any dismantling, packaging, charges, transportation, customs, levies etc. originating from the shipment of the defective material to the factory of the Seller shall be borne by the Buyer. The Buyer undertakes to accept the replaced or repaired Products, and under no circumstance shall the Seller be liable to the Buyer for any type of loss or damages above the value of the supplied Product as a result of the initial supply or the delay in the deliveries of the replaced or repaired Products.
3. The repair or replacement of a defective component shall not change the commencement date of the warranty period for the Products supplied. The Products repaired or replaced shall have a warranty as of their repair or replacement similar to the period that is deducted from the defective or replaced product, up to the periods stipulated in these GCS.
4. As an exception to the warranty described above, when the delivered Products have not been manufactured by the Seller, the Seller shall grant the same warranties to the Buyer that the Seller would have granted to the corresponding manufacturer; however, the Seller does not confer any licence or right of use that would infringe any law or intellectual property or industrial patent of third parties.
5. This warranty does not cover any liability for damages, defects, etc. as a result of:
  - a. Repair and replacement of parts as a result of normal wear and tear, along with possible

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cosmetic damage due to oxidation and/or corrosion, amongst others.

- b. Repairs, modifications or alterations in the Products made by any person other than the Seller's organisation.
- c. Improper use, replacement, repair, modification, maintenance or alteration, or lack of maintenance in accordance with the Seller's maintenance instructions. In this regard, the Seller shall provide the Buyer with all the necessary information and documents, including the operating manual, to perform its tasks.
- d. Lack of lubrication, use or cleaning with the recommended products and regularity indicated by the Seller.
- e. Erroneous and negligent handling, abusive use, defective assembling, variation in the quality of the power supply (voltage, frequency, etc.) changes made without the Seller's consent, installations made or modified at a later date without following the technical instructions of the product, and, in general, any cause that is not attributable to the Seller.

### 10.- LIABILITY

1. The Seller's liability for claims deriving from fulfilment or breach of its contractual obligations shall not, overall, exceed the price of the defective Product which has caused the damage, and shall not, under any circumstance, include indirect or consequential damages which may come about as a result of the supply, including, but not limited to, loss of production, loss of profit, shutdown costs, etc.
2. The limitation on liability set out in the present clause shall prevail over any other contained in any other contractual document which contradicts that set out above, save for those cases in which this places even greater limits on the Seller's liability.

### 11.- INTELLECTUAL PROPERTY

1. The intellectual and/or industrial property of the Seller's trademark, the offer, the information attached to it, the Products and/or the supplies, as well as the items, drawings, software etc. (hereinafter "Intellectual and Industrial Property Rights") incorporated or related to them, belong to the Seller. Hence, the Buyer shall have no right to use them for purposes other than the completion of the order, nor to totally or partially transfer them to third parties, without the prior express consent of the Seller.
2. All Intellectual and Industrial Property Rights arising and/or relating to data and/or documents provided or prepared by the Seller shall continue in the possession of the latter, unless otherwise agreed to the contrary, not granting the Buyer any right or licence with respect to the transmitted information or material.
3. The Buyer shall not allow any trademarks or commercial names to be applied to the Products to be modified, altered, obscured or omitted without the Seller's prior written consent.
4. The Buyer undertakes to inform the Seller of any breach of the Seller's brand or tradenames or other Intellectual and Industrial Property Rights, along with any actions involving unfair competition which it becomes aware of. The Buyer undertakes to assist, as far as possible, in any legal actions by the Seller.

### 12.- CONFIDENTIALITY

1. The Buyer undertakes to not disclose any documents, data, technical knowledge or any other information it has received from the Buyer (notified in writing, verbally, electronically or by other means, either directly or indirectly) (hereinafter "Confidential Information") to third parties unless it has prior written consent from the Seller, and to use this Confidential Information exclusively for the purposes envisaged in these GCS. The Buyer undertakes to provide the Confidential Information solely to employees who require it and who are subject to the confidentiality obligation.
2. The parties, including, amongst others, their affiliated entities, owners, managers and employees, may not use or disseminate commercial secrets or other types of Confidential Information, or allow their use or dissemination by third parties, or make any declarations or issue information bulletins regarding the transactions which apply in these GCS for any purpose other than fulfilment of the obligations set out therein without prior written consent from the party which disseminates the Confidential Information. This obligation shall remain valid for a period of five (5) years following the delivery of the Products.

### 13.- DRAWINGS AND DESIGNS OF THE BUYER

1. Whenever the Buyer specifies in writing that the Products contain a design, data or a specific manufacture method, the Seller shall implement these specifications on the provision that said specifications have been accepted in writing. In other cases, the Seller may modify the Products, provided these modifications are not substantial or such substantial modifications have been agreed to with the Buyer, in which case these modifications do not constitute a breach of contract or mean liability whatsoever for the Seller.
2. The Seller shall not be liable for any breach in the performance or defective execution of Products if it is a result of errors, incompetence or other inaccuracies in the data and/or information, in its broadest sense, supplied by, or on behalf of, the Buyer.
3. The Seller's inspection of such data/information shall not limit the Buyer's liability in any way, unless the Seller specifically accepts in writing said liability.
4. The Buyer shall compensate the Seller for all costs and damages of any class that are generated as a result of the manufacture of the Product in accordance with the technical features and information provided by the Buyer, or resulting from infringement of patents, industrial and intellectual property trademarks or models.

### 14.- TECHNICAL INFORMATION

1. The scope of the supply and the features of the Products shall be defined in the confirmation of the order.
2. The weights, dimensions, capacities, technical specifications, characteristics and settings relating to the Products of the Seller included in catalogues, brochures, prospectuses and technical literature, are for guidance only and are non-binding, except when they have been expressly accepted by the Seller.

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- Any measure or dimension set by the Seller shall be regarded as an approximation, unless the Buyer requires in writing certain specific measurements. The amounts mentioned are only estimates, as the Products delivered may vary in quantity by +/- of 2% with the ensuing change in price.

### 15.- AUTHORISED USES BY THE BUYER

- The Buyer shall be solely liable and keep the Seller indemnified against all liabilities incurred by the Seller in relation to the use of the Products other than in strict accordance with the Seller's instructions or for the purpose with which the Products were supplied.
- The Buyer guarantees the following to the Seller:
  - that it shall comply with the legal requirements or requisitions, or authorisations by any governmental department relating to the Products and the applications that the Products shall be subjected to,
  - that while the Products are in its possession or under its control, the Buyer shall comply with such requirements,
  - that it shall ensure that any other Buyer of the Products shall also comply with these requirements, and
  - that the Buyer shall indemnify the Seller for any liability arising from or as a result of the breach of such requirements.

### 16.- ASSIGNMENT OR SUBROGATION

- The Seller shall be authorised to subcontract the total or partial performance of the Products to third parties, and to transfer all or part of its rights and obligations, and even appoint a third party as a substitute to meet its obligations.
- The Buyer shall not assign the agreement or its rights or obligations arising therefrom to any third parties without the Seller's prior written consent.

### 17.- BANKRUPTCY

- If the Buyer becomes subject to any form of receivership, insolvency proceedings, liquidation or transfer of all or part of its assets, the Seller may instigate the termination of the agreements by means of a written notification, without prejudice to its other rights hereunder, such as to recover the resulting damages, along with payment by the Buyer to the Seller of all amounts owed or outstanding that shall be considered as due and payable in relation thereto.
- Should the Buyer be in any of the cases set out in point 1 above, it shall refrain from including the aforementioned Products in its assets, and shall report this circumstance immediately.

### 18.- EXPORT LIMITS

- In the event that any of the Products supplied by the Seller were subject to export control regulations, the Buyer shall refrain from exporting such Products, either directly or indirectly, without the Seller's prior written authorisation.
- In this regard the Buyer pledges and undertakes to notify the Seller of any sale that may be made with its Products to a company located in the USA and/or Canada, or when it could reasonably be deemed that the Customer could introduce the Product into those markets.

- The Buyer shall compensate and release the Seller from any liability in the event of any claim, loss, cost and/or damages deriving from, or related to, any breach of the export control regulations which apply to the Products.

### 19.- ANTI-CORRUPTION MEASURES

- The Buyer states that, on the date the agreements, contracts, etc. are formalised, neither the Buyer nor its managers or employees have offered, promised, delivered, authorised, requested or accepted any undue benefit, whether financial or of any other type, (or have insinuated that they would or could do so at a future date) related in any way to the aforementioned agreements, contracts, etc. which these GCS apply to, and that it has implemented reasonable means to prevent any subcontractors, agents or any other third party under its control or direct influence from doing so.
- Furthermore, the Buyer undertakes to, at all times throughout the lifetime of the agreement and beyond, comply with and implement reasonable means to ensure subcontractors, agents or other third parties under its control or direct influence also do so, in line with the following provisions:
  - The Buyer shall, at all times, forbid all forms of the following practices with regards to international, national or local public officials, political parties, political party officials or candidates, directors, public employees and company employees, regardless of whether such practices are carried out directly or indirectly, including through third parties:
    - Bribe;
    - Extortion or incitement to crime;
    - Influence peddling;
    - Cover-up of the result of the aforementioned practices.
  - The Buyer must instruct all third parties under its control or direct influence, including, but not limited to, agents, business development consultants, sales representatives, customs agents, general consultants, subcontractors, franchisees, lawyers or similar intermediaries acting in the name of the Buyer with regards to marketing or sales, in the negotiation of contracts, in the awarding of licenses, permits or other authorisations, or any other action which benefits the Buyer, or as subcontractors in the chain supply, to ensure they are not involved in, tolerate or carry out any act of corruption; furthermore, the Buyer must hire them only as necessary for its normal business, and not pay them any remuneration in excess of suitable limits for the services they legitimately offer.
- Should the Seller, as a result of its right to carry out a contractually agreed audit of the Buyer's accounts and financial records or by any other means, detect evidence that the Buyer has been involved in material or repeated breach of sections 2.1 and 2.2 above, it shall inform the Buyer and demand that it implement the corrective actions necessary in a reasonable period of time and inform it of such actions. Should the Buyer fail to implement the corrective actions necessary or, where appropriate, fail to effectively defend its actions, the

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Seller may, at its discretion, suspend or terminate the agreement, it being understood that all contractual amounts outstanding at the moment of suspension or termination shall continue to be due, as set out in legislation.

4. Any body, whether an arbitration tribunal or other dispute resolution body, which issues a ruling in accordance with dispute resolution provisions on any disputes which may come about as a direct or indirect result of these GCS shall be empowered to determine the contractual consequences of any presumed breach of the obligations set out in this clause.

3. These GCS, their interpretation and the contractual or extracontractual obligations deriving from them or related to them shall be interpreted in accordance with legislation in the country where the Seller has its registered office.

### 20.- FORCE MAJEURE

1. Force Majeure (hereinafter "Force Majeure") shall be understood as any circumstance beyond the Seller's control that temporarily or permanently hinders the execution of any or all of the Seller's obligations to the Buyer, regardless of whether these circumstances were or were not foreseen at the time of the completion of the order, agreement, contract etc., including but not limited to: governmental actions, dismissal, revocation or cancellation of licences, business closures, forced closure of all or part of the company, war, whether declared or not, fire, transportation problems, accidents, labour riots, shortage of labour, embargoes, temporary or permanent non-delivery of samples, non-rendering of services by third parties regardless of their cause, defects and/or breakdowns in material, machinery, systems and/or software and hardware, absence or lack of material with which to manufacture the Products.
2. Should the Seller be impeded from fully or partially meeting its contractual obligations due to situations of force majeure, fulfilment of the affected obligation(s) shall be suspended, without any liability for the Seller, for the time reasonably necessary in accordance with the circumstances.
3. Whenever a case of Force Majeure occurs, the Seller shall report the situation to the Buyer at the earliest opportunity, indicating the cause and expected duration.
4. Should the effects of the case of Force Majeure last for more than three (3) months and the Seller cannot deliver the Product, it may, at its own discretion, extend the delivery period during the period of force majeure or terminate the Agreement, and also demand payment for the partial delivery made, without it being in any way obliged to compensate the Buyer.

### 21.- NOTIFICATIONS

1. Any notification related to this contract shall be in writing either in Spanish or English and shall take effect twenty-four (24) hours after its posting by certified mail to the registered office of the parties.

### 22.- LEGISLATION AND COMPETENT COURTS

1. The parties shall strive to resolve any disputes which may derive directly or indirectly from these GCS fairly and in good faith.
2. Should it be impossible for the parties to reach an amicable agreement in accordance with the paragraph above, any disputes which may come about, including those related to the existence, validity or termination of the agreements covered by these GCS, are subject to the jurisdiction and exclusive competence of the Courts of the Seller, without prejudice to the Seller's right to initiate judicial procedures in any other competent jurisdiction.