

GENERAL TERMS AND CONDITIONS OF PURCHASE

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This set of GLUAL HIDRÁULICA S.L. General Terms and Conditions of Purchase is applicable to all purchases, orders and contracts (hereinafter referred to as the Order) made by GLUAL HIDRÁULICA S.L. (hereinafter referred to as the Purchaser) to any supplier, provider of services or intermediary (hereinafter referred to as the Supplier).

These GLUAL HIDRÁULICA S.L. General Terms and Conditions of Purchase comprise the following articles:

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- ARTICLE 1: DOCUMENTS PERTAINING TO THE ORDER
- ARTICLE 2: ACCEPTANCE OF THE ORDER
- ARTICLE 3: SCOPE AND CARRYING OUT OF WORK
- ARTICLE 4: ORDERS
- ARTICLE 5: TERMS OF PAYMENT AND INVOICING
- ARTICLE 6: INFORMATION, PLANS, DESIGNS, MODELS, TOOLS AND PHOTOGRAPHS
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ARTICLE 1: DOCUMENTS PERTAINING TO THE ORDER

1.1 The order comprises the following documents, which are classified according to order of priority:

- a) The clauses and specific terms of the order itself, in addition to those included in the annexes thereto (technical specifications, plans, nomenclatures, manufacturing schedule, etc.), where appropriate. The specific terms of the order shall prevail even if they contradict the General Terms and Conditions of Purchase.
- b) The general terms and conditions regarding the order and any annexes thereto (contractual terms and Glual Hidráulica S.L. customer regulations and standards).
- c) These Glual Hidráulica S.L. General Terms and Conditions of Purchase.

1.2 Any correspondence prior to the date of the order shall not be taken into account or be deemed valid under any circumstances if this is considered to be in opposition to or contradict any of the documents making up the order.

1.3 Any terms, conditions or specifications included or attached to the tender put up by the Supplier, and any correspondence related thereto, to which no express reference is made in the order, shall be deemed null and void. Any mention of the tender in the order or attached documentation does not modify this clause.

1.4 In the event that any of the clauses contained in the order or any Glual Hidráulica S.L. general terms and conditions of purchase should happen to contradict the general terms and conditions set out by the Supplier, then those pertaining to purchase shall prevail.

ARTICLE 2: ACCEPTANCE OF THE ORDER

2.1. The Supplier shall be duty bound to forward an acknowledgement of receipt and acceptance of the order within ten days following receipt thereof. If no notification is received within the aforementioned period, or the order starts to be processed or any invoice pertaining to possible payment into an account is received, then the order shall be deemed to have been accepted by the Supplier without reservation.

2.2 Glual Hidráulica S.L. reserves the right to cancel the order if it does not receive any acknowledgement of receipt or acceptance of the order within the period referred to in the previous point.

2.3 No payment may be claimed until acceptance of the order.

2.4 No modifications may be made to the terms, conditions or specifications attached to the order following acceptance thereof, except if done so in writing and accepted by both parties.

2.5 Acceptance of the order shall also entail acceptance without reservation of these General Terms and Conditions.

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ARTICLE 3: SCOPE AND CARRYING OUT OF WORK

- 3.1 The Supplier shall be responsible for ensuring that the work carried out meets all the requirements demanded in the order.
The Supplier shall be deemed to have checked the plans and specifications they have received, being duty bound to submit any part of the work to be carried out for approval by the Purchaser that is not sufficiently defined in the order.
- 3.2 The Supplier shall be duty bound to notify the Purchaser of the existence of any problem or unforeseen circumstance that may put any of the requirements set out in the order in jeopardy.

ARTICLE 4: PRICES

- 4.1 Except where otherwise stated, the prices included in the order are understood as being fixed and not subject to review, and shall be deemed to include any type of tax or encumbrance except for VAT, which shall be included and shown accordingly in the invoice.
- 4.2 No prices over and above those stipulated in the order shall be accepted, except if these happen to be expressly authorised in writing via corresponding extensions to the order.
- 4.3 No increases in price owing to packaging or carriage shall be accepted unless expressly stated in the order.

ARTICLE 5: TERMS OF PAYMENT AND INVOICING

- 5.1 The terms and conditions of payment shall be those stipulated in the order, and may not be modified except by express agreement in writing.
- 5.2 Due dates for any method of payment shall be the 15th of each month.
- 5.3 Invoices shall be issued in duplicate, with the date of issue of the order being the date on which the material is received or when the work is properly carried out. No partial invoices shall be accepted except for those expressly stipulated in the order.
- 5.4 The number of the corresponding order must appear on each invoice.

ARTICLE 6: INFORMATION, PLANS, DESIGNS, MODELS, TOOLS AND PHOTOGRAPHS

- 6.1 All plans, designs, studies, models, tools and technical data contained in any medium and entrusted by the Purchaser to the Supplier shall remain the exclusive property of the Purchaser, and may not be used by the Supplier for any manufacture other than that by the Purchaser and ordered by the latter or copied, reproduced or passed on to any third party in any form or for any reason, without express authorisation in writing.
- 6.2 As the holder of such information, models and tools, etc., the Supplier shall be fully liable for any damage caused to Glual Hidráulica S.L. as a result of the disappearance and/or any unauthorised use thereof.

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6.3 The Supplier shall not under any circumstances notify any third parties either in writing or verbally of any details about our premises or use photographs for their own advertising purposes, without prior consent in writing from Glual Hidráulica S.L.

ARTICLE 7: PRODUCTION SCHEDULE AND SUBCONTRACTING

7.1 The Supplier shall issue a schedule together with acknowledgement of receipt and acceptance of the order, indicating the dates for completion of each of the work phases. A list of the work that the Supplier intends to subcontract shall be attached to this schedule, with subcontracting being deemed to have been approved if the Purchaser raises no objection thereto.

If our subcontracting authorisation is granted, then the Supplier assumes full liability for proper performance thereof. The Purchaser shall not be duty bound by any commitment that the Supplier may have taken on with any third parties in order to comply with the order.

7.2 The schedule handed over by the Supplier shall be deemed by Glual Hidráulica S.L. to be the basic document by which control and monitoring of work is governed. Glual Hidráulica S.L. reserves the right to either partially or totally cancel the order in the event of any deviation with regard to the schedule of such magnitude that the contractual demands set out by the Glual Hidráulica S.L. customer should be put in jeopardy.

ARTICLE 8: PLANS AND DOCUMENTS FOR CARRYING OUT WORK

8.1 The specific terms of the order provide the list of documents and information and relevant medium via which the Supplier is contractually bound to supply them.

All this documentation must be sent to the Purchases Department at Glual Hidráulica S.L. within the periods established for such purpose.

8.2 Glual Hidráulica S.L. shall be entitled to make any observations as they see fit over a 15 day period following receipt of documentation. The Supplier shall send a new shipment of corrected documents in view of such observations.

Once this period has elapsed, Glual Hidráulica S.L. shall be deemed to have raised no objection to the documents received, without this affecting the responsibility assumed by the Supplier.

8.3 Definitive plans and documents shall be forwarded to Glual Hidráulica S.L. following completion of studies, always prior to delivery of the materials.

ARTICLE 9: MATERIAL OWNED BY GLUAL HIDRÁULICA S.L.

9.1 All materials handed over by the Purchaser to the Supplier for assembly purposes shall remain the exclusive property of the Purchaser, with the Supplier being duty bound to keep them in good condition.

9.2 The Supplier shall be liable for any possible damage to material owned by Glual Hidráulica S.L.

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ARTICLE 10: INSPECTIONS, TRIALS AND TESTS

- 10.1 The Purchaser, their customer or whoever happens to be delegated for such purpose reserve the right to inspect the material prior to dispatch thereof at the workshops or warehouses of the Supplier or any of its subcontractors. This inspection shall not hold the Supplier harmless from compliance with its warranties and responsibilities with regard to supply and the order.
- 10.2. If following the relevant inspection of any part of the work the Purchaser should deem it to be faulty and/or not in accordance with that stipulated in the order, they may reject that part thereof without this entailing any extra cost to the latter or any modification to contractual deadlines.
- 10.3 Except where otherwise stipulated, all expenses deriving from inspections, trials or tests shall be met by the Supplier, except for those corresponding to personal expenses incurred by Glual Hidráulica S.L. representatives.
- 10.4 The Purchaser reserves the right to dispense with workshop inspection without this entailing any waiver of their right to inspect the material once it has arrived at its destination.
If the material is rejected at its destination or even afterwards during assembly or start-up of the installation, the Supplier shall be duly informed thereof in order to replace or repair any material, at no cost to the Purchaser.
- 10.5 The Purchaser may carry out any relevant repairs once the Supplier has been duly notified thereof or discretionally in the event of emergency, with the latter meeting any expense incurred.
- 10.6 The Supplier shall hand over a copy of the trials carried out to the Purchaser in the event that any such test, trial or check should be carried out without the presence of Glual Hidráulica S.L. representatives.

ARTICLE 11: CONTRACTUAL DATES AND DELIVERY TIMES

- 11.1 The specific terms of the order state the delivery times for fulfilment of the contractual obligations assumed by the Supplier.
- 11.2 The need on the part of the Purchaser to ensure the gathering of materials in accordance with their schedule with their customer requires strict compliance by the Supplier with the agreed deadline, with the Purchaser being entitled to either fully or partially cancel the order if the established deadline fails to be met.
- 11.3 An order shall be deemed not to have been complied with and, consequently, any relevant payments shall not be made, until such time as all materials and/or documentation required in the order has been delivered.
- 11.4 Glual Hidráulica S.A. reserves the right to modify the dispatch dates of certain materials without the Purchaser incurring any expenses, provided that the storage period does not exceed three months. Storage shall be subject to agreement between the Supplier and Glual Hidráulica S.L. once this period has elapsed
- 11.5 Transfer of property and risks to the Purchaser shall take place in accordance with the terms and conditions established in the order, according to Incoterms 2000 set by the ICC.

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ARTICLE 12: PENALTIES

12.1 The specific terms of the order may envisage the application of penalties calculated from the total amount of the order in the following cases:

- Delay of contractual dates and deadlines
- Failure to respect specifications, qualities and sales warranties
- In cases where Glual Hidráulica S.L. incurs expenses deriving from any of the previous points.

12.2 Absence of definition of penalties in the order shall not be interpreted as a waiver on the part of Glual Hidráulica S.L. of any claim for damages as a result of non-performance of contractual obligations.

ARTICLE 13: REFERENCING, LABELLING AND PACKAGING

13.1 The Supplier is duty bound to reference or label each non-divisible item they are supplying to ensure that they may be perfectly identified based on the contractual documents provided. The Supplier shall also be duty bound to request from the Purchaser the procedure to be taken for such purpose.

13.2 The Supplier shall be duty bound to provide the following services without cost in all cases and even where the packaging does not form part of the order:

- Provide the means of upkeep required for movement of materials while they are being packed.
- Ensure the protection and conservation of materials during upkeep and shipment operations by:
 - Providing mechanical protection for mechanised parts.
 - Applying anti-rust coatings.
 - Fitting lifting bolts.
 - Palleting or baling heavy and/or bulky items and piping, etc.
 - Protecting fragile items with appropriate packaging.
 - Protecting refractory products with airtight plastic.

13.3 If it is specified under particular conditions that the packaging should form part of the order, then the Supplier shall be responsible for choosing the type of packaging and the category thereof. The Supplier shall be duty bound to request from the Purchaser the procedure to be taken to make such packaging, and draft all the relevant documents accordingly.

ARTICLE 14: DISPATCH AND SHIPMENT

14.1 Items shall be dispatched once tests have been carried out and the material accepted, having been duly protected, packaged and marked accordingly.

14.2 The Supplier may not dispatch the material until authorisation from Glual Hidráulica S.L. has been obtained.

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- 14.3 The Supplier shall be responsible for loading, fastening and protecting the materials onto the means of transport provided in all cases and even where the packaging does not form part of the order provide the following services, without cost in all cases and even where the packaging does not form part of the order.
- 14.5 In cases where shipment is included in the order, then the Supplier shall be responsible for obtaining the relevant licences, permits or authorisation and payment of corresponding taxes, as well as for drafting all documents referring to shipment and procurement of transport insurance.

ARTICLE 15: WARRANTY

- 15.1 All manufacture and materials are guaranteed for at least one year following start-up thereof against any manufacturing fault or fault arising from carrying out work, or if any visible or hidden blemish is detected. The Supplier thus waives application of the final deadline established in article 342 of the Spanish Code of Commerce.
- 15.2 The Supplier is duty bound throughout the period of warranty to make any modifications, or carry out any fine-tuning or adjustments deemed necessary in order to comply with the terms and conditions of the order within a period of 10 days following a request to do so. They are also duty bound to replace any parts of the material that are acknowledged as being faulty or fail to fulfil the purpose for which they were designed, and shall meet all costs incurred to ensure that all the aforementioned is carried out. Any rejected materials may be passed on to the Supplier, who shall be in charge of suitably disposing of them.
- 15.3 Once this period has elapsed, Glual Hidráulica S.L. reserves the right to take any relevant action as they may see fit at the Supplier's expense, without detriment to any resulting claim for damages.

ARTICLE 16: TEMPORARY SUSPENSION

Glual Hidráulica S.L. reserves the right to either suspend or bring an order or part thereof temporarily to a standstill, without the Purchaser incurring any expenses and provided that the duration of such suspension or stoppage does not exceed a period of six months.

ARTICLE 17: CANCELLATION OF THE ORDER

Glual Hidráulica S.L. reserves the right to cancel an order or part thereof without the Purchaser incurring any expenses, in cases where any of the following circumstances arise as a result of Supplier actions:

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- In cases where no acknowledgement of receipt of the order is received.
- In cases of bankruptcy or suspension of payments on the part of the Supplier.
- In cases of non-compliance with the legislation in force or non-compliance with their obligations with regard to third parties.
- In cases where their work has not commenced by the agreed deadline or negligence can be proven in terms of performance thereof.
- In cases where there is a delay or faults are detected while the work included in the order is being carried out that may endanger any of the contractual demands made by Glual Hidráulica S.L. with its customers in some way.
- In cases where the deadline for fulfilment of their contractual obligations fails to be met.
- In cases where the Supplier fails to address direct or indirect damage caused by them or any of their subordinates to individuals, materials or premises of Glual Hidráulica S.L., their customer or third parties, in the course of their activity.
- In cases where any of the clauses contained in the order fail to be complied with exactly.
- In cases where the Supplier fails to comply with their obligations with regard to safety and hygiene at work.

ARTICLE 18: INSURANCE

The Supplier shall be accountable for all direct or indirect damage caused by them or any of their subordinates to individuals, materials or premises of Glual Hidráulica S.L., their customer or third parties, in the course of their activity.

Non-observance of the above may result in grounds for cancellation of the order.

The Supplier is duty bound to impose the above legal prescriptions on their subcontractors.

ARTICLE 19: PATENTS

The Supplier shall hold harmless and defend the Purchaser and any third parties who may use or sell the material at no cost to the latter from any legal action taken owing to infringement of patents, rights of invention, copyright or trademarks deriving from such use or sale of the material.

ARTICLE 20: PREVENTION OF RISKS AT WORK

20.1 The Supplier is duty bound to be informed about any risks deriving from their professional activity and any corresponding preventive and protective means and measures required to deal with them, in addition to any relevant training their workers may have received, in so doing being committed to applying and using them effectively. The systems and equipment required shall need to be included in the cost of supply.

20.2 The Supplier undertakes to comply with all demands pursuant to the legislation in force governing the prevention of risks at work, our customer's safety regulations or those of Glual Hidráulica S.L. Non-compliance with obligations with regard to safety and hygiene at work may give rise to a SPECIAL PENALTY depending on the nature and importance of the violation, and may even result in severance of the contract.

20.3 The Supplier shall be duty bound to and responsible for ensuring that their obligations with regard to labour-related matters, social security and insurance against accident remain up-to-date, and may be required by the Purchaser to justify the aforementioned in the form of the relevant documentation.

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- 20.4 In the event that Glual Hidráulica S.L. should be duty bound to pay any amount by way of joint or subsidiary liability deriving from any non-compliance on the part of the Supplier or any of their subcontractors with the legislation in force governing the prevention of risks at work, Glual Hidráulica S.L. shall charge the Supplier by directly deducting any such amounts due from any of their invoices, balances or guarantees without the need for written notice. Should this prove impossible, Glual Hidráulica S.L. reserves the right to file a claim for the amounts in question against the contracted company, and the latter shall be duty bound to pay any costs or expenses incurred in the course of such a claim, including lawyers' or solicitors' fees, even if their intervention is not mandatory.
- 20.5 The Supplier shall be duty bound to supply their staff with any safety equipment and clothing required, depending on the risks existing at the time, which shall be certified with CE marking.
- 20.6 Any repeated violation with regard to health and safety may result in cancellation of the order.
- 20.7 From the moment when the Supplier or any of their subcontractors commence work, they assume all civil and criminal liability that may derive from damage caused to individuals as a result of activities carried out by their staff in the course of contracted work.

ARTICLE 21: FORCE MAJEURE

- 21.1 Force majeure shall be deemed to be any abnormal or unforeseeable circumstances whose consequences would not have been able to be avoided despite all due diligence. The following shall not be considered to be cases of force majeure: non-general strikes, lock-outs, factory closures, paid holidays, bad or icy weather, too many commitments on the part of the means of inspection or carrying out of work on the part of the Supplier as a consequence of other orders, possible delays from their subcontractors or similar.
- 21.2 The affected party shall be duty bound to notify the other party by fax or email as promptly as possible of the occurrence of any case of force majeure, and shall also be duty bound to send by registered post a certificate of proof thereof issued by the relevant authorities by way of confirmation of the event, within a period of ten (10) days. Any costs or expenses incurred as a result of force majeure shall be discussed in good faith between the parties.
- 21.3 In the event that the duration of force majeure should be extended beyond sixty (60) days, the parties shall be entitled to deem the contract to have been terminated, and all obligations specified herein – including bank guarantees – shall be deemed to have been terminated except for payments regarding already-supplied or manufactured equipment, together with services hitherto rendered.

ARTICLE 22: JURISDICTION

Spanish law shall be the applicable legislation in this case. Acceptance of the order by the Supplier implies their consent thereto and, in the event of litigation, the latter shall be duty bound to submit themselves before the jurisdiction of the courts of Azpeitia, with express waiver of any other jurisdiction to which they may have recourse.