



4 GENERAL CONDITIONS AND TERMS OF SALE OF DANOBATGROUP

4.1 PREAMBLE

These General Conditions and Terms of Sale, which form an integral part of the Seller's quotation, imply the acceptance of these terms by both Parties. In case of any dispute the *United Nations Convention on Contracts for the International Sale of Goods (Vienna, 11.04.1980)* shall apply.

Any other conditions and terms of sale not specifically indicated in the General Conditions and Terms of Sale hereafter will follow ORGALIME (European Engineering Industries Association) September 2001 General Sales Conditions.

Seller's proposals are not binding by themselves. Due to the constant development of our products, the Seller reserves the right to modify the contents of this proposal without previous notice.

The contract shall be considered to have come into force when the Seller has confirmed the Buyer's order acceptance in writing. The contract shall be subject to the terms and conditions of the Seller's order acceptance, unless the Buyer rejects same immediately after receiving same.

4.2 DELIVERY TIME

The delivery time comes into force from the date on which all of the following conditions have been complied with:

- The signature of the Contract.
- The receipt of the down payment by the Seller

The delivery date shall be extended in the following cases:

- In the event of any force majeure, such as war, mobilisation, industrial disputes, fire, earthquake, transport accident or any other unforeseeable circumstance.
- When the Buyer fails to comply with any obligation to cooperate that may affect the fulfilling of the contract, including the provision of drawings, technical information or import licences and/ or the accessories that shall be incorporated to the machine and, also, any other item that was agreed upon by the Parties.

Compliance with the delivery date shall also be conditional upon the parties reaching agreement on any technical or commercial issues which may have been left pending at the time of the signing of the contract.

Whenever the Seller requires a written approval from the Buyer regarding the drawings and installation requirements sent during the machine manufacturing process, these –either with the written approval, either with the corresponding objections- will be returned to the Seller within 10 days from its delivery to the Buyer.

The delivery date is understood to be the date the machine is pre-accepted at the Seller's facilities.

The Seller shall be deemed to have complied with the delivery date if prior to it the machine has left the Seller's factory or the Seller has notified the Buyer that the machine is ready for shipment.

Should any accessory need to be sent separately from the machine, its shipment will not be considered as the delivery date of the machine, as stated within the Order/ Contract.

4.3 DELIVERY CONDITIONS

The prices of the machine are according to the delivery conditions (INCOTERMS 2000) the quotation specifies.

4.4 TRANSFER OF RISK AND PROPERTY

Risk of loss or damage to the machine and related equipment will be transferred to the Buyer when the equipment is placed at the disposal of the Buyer according to the delivery conditions (INCOTERMS 2000) the quotation specifies.

Property will be transferred when the equipment supplied is fully paid.

The Buyer will take all necessary actions to protect the equipment property of the Seller (including the appropriate insurance policy to cover the equipment) from the date the above mentioned risk of loss or damage of the machine is transferred to the Buyer to the date its property is transferred to the Buyer.

4.5 PRICES AND PAYMENT TERMS

Prices do not include any tax.

The payment terms are the following:

30% down payment of the total contract/ order price will be paid within one week after the order placement date, by bank transfer to the Seller's bank

70% of the total contract/ order price to be issued latest seven days after the pre-acceptance of the machine at the Seller's facilities, by bank transfer to the Seller's Bank

4.6 CONTRACT AMENDMENTS

Order amendments requested by the Buyer after the order is confirmed must be agreed to by the Seller in writing.

Should the equipment be in its manufacturing process or should it be already finished, any change required by the Buyer can only be implemented if an amendment to the Order is issued as an Order Supplement and is added to the original Contract/ Order.

This may also require a modification of the scope of supply, the price and/or the delivery terms.

4.7 WARRANTY

4.7.1 Scope of the Warranty

The Seller undertakes to replace, according to the conditions stated hereafter, any defective part due to wrong design and/ or manufacturing errors which may appear during the warranty period:

- 12 months or 2.000 working hours, whichever comes first, from the final acceptance date at Buyer's factory.

The Warranty covers the following items:

- The labour cost of the Seller's technician (travel and daily expenses not being included)
- The replacement of defective parts
- Delivery cost of the new parts

Any modification, replacement of parts or service work carried out on the machine during the Warranty period will not imply the extension of that period.

The Warranty time of those parts repaired or replaced within the Warranty period under the Warranty conditions will finish together with machine's warranty period.

Any items replaced will be at the disposal of the Seller.

In any event the validity of the Warranty period will not exceed 15 months from the date the machine is dispatched from the Seller's



facilities.

The Seller will under no circumstances be liable for loss of use, loss of production, loss of profit, loss of contracts or for any other consequential or indirect loss whatsoever.

4.7.2 Conditions the Buyer shall fulfil o benefit the Warranty

The machine will be installed by the Seller's personnel or personnel authorized by the Seller. Installation by unauthorized personnel will cause the cancellation of the warranty.

Modifications and/ or technical services to the machine have to be authorized by the Seller prior to their execution.

Only equipment authorized by the Seller can be used in the machine.

4.7.3 Exclusions to the Warranty

1) The warranty does not apply in the following cases:

- Parts to be replaced due to normal wear
- Faults due to not following the instructions of the operation/maintenance manuals delivered with the machine
- Damage caused during transport whenever transportation is Buyer's responsibility according to the Incoterm agreed.
- Faults due to modifications made without the Seller's approval
- Faults due to inadequate repairs carried out by the Buyer
- Faults caused by external factors such as storms, floods, fire or any other condition external to the machine itself
- Faults caused by the improper operation of the machine and/ or programming errors
- Faults due to the use of incorrect accessories by the Buyer, not authorized by the Seller, but fitted to the machine and used with the machine
- Foundation defects
- Faults caused by vibration around or close to the machine
- Faults caused by large variation in ambient temperature, e.g. sun or any other external heat or cold source affecting the machine.
- The Warranty does not cover accidents or any injury caused t o people and/ or personal items

2) General Maintenance Service to the machine (which is responsibility of the Buyer) as defined in the "Maintenance Manual"

4.8 DELAYS IN THE DELIVERY BY THE SELLER

The delivery of the goods will be considered as DELAYED should the agreed delivery date be exceeded by more than 4 weeks.

In case of DELAY the Buyer will be entitled to a compensation of 0,5% of the price of the machine per each week of DELAY. The Buyer is entitled to a maximum compensation of 5% of the price of the machine.

The Seller is entitled to making partial deliveries. Should the delay affect part of the delivery, the compensation will be based on the price of the components that have been delayed.

The Buyer will not be entitled to any compensation should the delay in the delivery of the machines not cause any losses or should the losses be considerably less that the established compensation.

The rights of the Buyer in case of DELAY are regulated and specified in detail under this clause. Any additional action that the Buyer may be entitled to is excluded by this clause. The Seller will not be responsible for any indirect losses or for losses such as production losses, losses of orders or income, profit losses, etc...

4.9 OFFER VALIDITY

This quotation is valid 60 days from the date of issue.

4.10 SERVICIOS SUMINISTRADOS POR EL VENDEDOR: PRUEBAS DE PRE-ACEPTACIÓN INSTALACIÓN Y PRUEBAS DE ACEPTACIÓN FINAL

4.10.1 General Terms regarding the Services with in the Contract

The Acceptance Tests of the machine will be performed according to the tests defined in the Seller's standard acceptance protocol.

The Seller's and the Buyer's personnel shall attend the pre-acceptance at the Seller's factory and the Final Acceptance at the Buyer's site.

Should the Buyer, or Buyer's appointed representative, not attend the pre-acceptance tests at the Seller's factory latest 10 days after the date established by the Seller, the Seller will have the right to execute and communicate the acceptance tests results to the Buyer. If these tests results are in accordance with the Seller's standard acceptance protocol, the pre-acceptance is deemed successful and approved by the Buyer, thus enabling the machine's shipment.

All necessary lifting facilities and related equipment required both to position the machine at its final location and to handle the installation procedures will be insured and provided by the Buyer.

In addition, the Buyer will be responsible for providing the electrical supply, compressed air, water supply, etc to the machine. These supplies shall be according to requirements provided by the Seller (General layout drawing, foundation drawing...) and shall be available before the machine installation starts. The Buyer will be responsible for the extra expenses incurred due to any delay in the provision of the requirements mentioned above or interruption of the installation works.

The Buyer will guarantee safe working conditions for the Seller's personnel.

The Buyer shall allow the Seller's personnel to start the installation and the final acceptance tests immediately after the arrival of the machine to its final location.

The Buyer shall be responsible for the extra expenses incurred due to any delay in the execution of the final acceptance tests not attributable to the Seller.

Unless otherwise indicated, the quotation does not include the accommodation, travelling and living expenses of Buyer's representatives during pre-acceptance.

Shall the contract/ order include the Seller obligation to provide an operation and/ or maintenance training course, the Buyer shall arrange that the people attending to the course are grouped and available at the time the training course is provided.

4.10.2 Pre-acceptance Tests at Seller's factory

4.10.2.1 General Pre-acceptance test protocol

Machine will be tested according to the Seller's Pre-acceptance Test Protocol.

Whenever applicable, interfacing tests with external elements such as loading/unloading systems, component fixtures, and others will also be performed.

Once the pre-acceptance test protocol is completed, the Buyer and the Seller will sign the pre-acceptance protocol document and,



together, will define the equipment shipping dates.

4.10.2.2 Pre-acceptance test protocol including Buyer's component

The pre-acceptance tests shall only include the machining test of a Buyer's component if the contract/ purchase order defines an acceptance reference component (its drawing being annexed to it) and, also, specifies Seller's commitment to perform such machining test, according to the machining process proposed by the Seller.

Should the pre-acceptance tests include the machining of the Buyer's component, the Seller shall prepare the tooling and the machining programs for the acceptance reference component, according to the machining process proposed by the Seller.

Should the machining test of the Buyer's component during the pre-acceptance tests require some special tools and/ or supplies (cutting tools, coolant, etc), these will be provided by the Buyer, at its own expense, by the time indicated by the Seller.

The Buyer's reference components to be used during the pre-acceptance tests shall be supplied by the Buyer, at his own expense, before the agreed date in the quantity agreed and, also, according to the part incoming specifications agreed (stock removal, geometrical conditions, hardness...). Should the Buyer's acceptance reference components not be delivered to the Seller as stated here above, a set of simulation components shall be provided by the Buyer.

The delay in the supply of trial parts, tools and/or other supplies will automatically cause an extension of the delivery time, equal to the time of the delay. Any cost originated by this cause will be covered by the Buyer.

4.10.3 Installation and Starting up at Buyer's factory

Before the installation works start, the area where the supplied equipment will be located must be defined and free of obstacles.

Whenever the installation requires a foundation, the foundation will be fully finished and in good condition for its use before the installation of the machine starts. The correct preparation and execution of the foundation is Buyer's responsibility.

The Seller shall have the right to be present during the unloading and package opening, being packing removal and disposal the Buyer's responsibility. At the same time, the Seller shall provide instructions to position the machine on the foundation prepared by the Buyer.

Installation and starting-up of the supplied equipment will be carried out by the Seller's engineer(s), or by the Seller's authorized representatives.

Unless otherwise indicated in the Seller's quotation, the Seller guarantees the correct performance of the equipment whenever the workshop where it is installed maintains the temperature variation within ± 10°C of a 25°C room temperature.

Whenever required, the Buyer shall provide the Seller's engineers the use of telephone and the necessary work tools and machining tools. The Buyer shall provide for its use by the Seller oils and lubricants and other items deemed as necessary. The Buyer shall also provide insured lifting or elevation equipment, suitable to lift and manipulate the heaviest part of the equipment being installed.

4.10.4 Final – Acceptance Test at Buyer's factory

4.10.4.1 General final Acceptance Test Protocol at Buyer's factory.

Upon completion of installation and start-up works, the supplied equipment will be tested according to the Final Acceptance Test protocol. Unless otherwise agreed by both Parties, the final acceptance tests at Buyer's factory will be the same as those tests performed during the pre-acceptance tests at Seller's factory.

The Buyer is not entitled to use the machine or any part of it until the final acceptance protocol is signed by both Parties. Should the Buyer do so without the Seller's written approval, the Buyer will have accepted the machine and all parts thereof, regardless of the signing or not of the final acceptance protocol.

Any change or addition to these conditions regulating the final acceptance test protocol shall only be applicable upon previous consent by the Seller in writing.

After the final acceptance tests are satisfactorily performed, the Buyer and the Seller will sign the final acceptance protocol document.

Upon the signature of the final acceptance protocol, the Buyer is entitled to use the equipment for production and the warranty period will automatically start running unless it is already into force as per clause 4.7.1

4.10.4.2 Final Acceptance Test Protocol at Buyer's factory including Buyer's component machining test

The final acceptance tests shall only include the machining test of a Buyer's component if the contract/ purchase order defines an acceptance reference component (its drawing being annexed to it) and also specifies the Seller's commitment to perform such machining tests according to the machining process proposed by the Seller.

Should the final acceptance tests include the machining of the Buyer's component, the Seller shall prepare the tooling and the machining programs for the acceptance reference component, according to the machining process proposed by the Seller.

Should the machining test of the Buyer's component during the final acceptance tests require some special tools and/ or supplies (cutting tools, coolant, etc), these will be provided by the Buyer, at its own expenses, by the time limit indicated by the Seller.

The Buyer's reference components to be used during the final acceptance tests shall be supplied by the Buyer, at his own expense, before the agreed date, in the quantity agreed and, also, according to the part incoming specifications agreed (stock removal, geometrical conditions, hardness...). Should the Buyer's acceptance reference component no be put at Seller's disposal as stated here above, a set of simulation components shall be provided by the Buyer.

Should the delay in the supply of the trial parts, tools and/or other supplies cause an extra cost to the Seller, it will be covered by the Buyer..

4.11 DRAWINGS, DESIGN, TECHICAL DOCUMENTS AND ILLUSTRATION CATAGUES

The Seller reserves the right to make changes to the machine specifications in the catalogues, advertising material or any other publicity. This information is considered as general technical data and will not cause any obligation in any sales contract.

All drawings, design, technical documents, software or any additional manufacturing information of components, parts, assembly information or any other document related to the Seller's machines are the property of the Seller.

No copies or transfer of information are permitted to third Parties without previous written authorization from the Seller.



4.12 FOUNDATION DRAWING

The machine foundation is Buyer's responsibility.

The Seller will provide drawings showing the general foundation specifications, the machine layout, the anchoring bolt drawings and the load distribution conditions etc. in order to enable the specialist or civil engineer contracted by the Buyer to prepare the machine foundation

4.13 ARBITRATION

All disputes, differences, claims or questions which may arise out of or in connection, directly or indirectly, with the contract, that can not be solved by agreement upon friendly consultation between both Parties, shall be finally settled in the Service of Arbitrage of the Chamber of Commerce of Guipúzcoa (Spain) who will manage the arbitration procedure and will name an arbitrator in accordance to its rules. Applicable law: Spanish legislation, including Vienna Convention dated 11.04.1980.

4.14 FINAL PROVISIONS

The Buyer will not be allowed to stop or deduct Contract payments due to any claims he might have against the Seller. All disputes and the related additional invoices, if any, will be object of a separate agreement that shall be negotiated by both Parties.

Shall any clause of this General Conditions of Sale be declared null or non applicable, the validity of all the other stipulations will remain the same. The null or non applicable stipulation is considered as being replaced by such one that closer meets the economic goal intended by the null or non applicable stipulation.

4.15 LIMIT OF RESPONSABILITY

The Buyer will not be entitled to claim any damages and compensation from the Seller regardless of its legal basis, delay, defective supply, breach of other obligations within -or, related to the contract, illicit acts, unless this right has been specifically recognized to him in virtue of this contract or because of a legal norm having an imperative character.

4.16 EXPORT POLICY

4.16.1 Legal Requirements

This contract is subject to European regulations on dual use, UE 388/2012 and UE 1232/2011 and Spanish law 53/2001 of 28th December and R:D 2061/2008 of 12th December.

All exports to countries outside the European Union (UE25 **f** the material can be subject to dual use, it will require and export license / Defense and Dual – Usage Expedition.

By complying with particular requirements, dual-use material may be exported, within the General Authorization, to the countries mentioned in part 3 of appendix II of regulation UE 149/2003 and later updates. (Australia, Canada, USA, Japan New Zealand, Norway, Switzerland).

Exporting spare parts for service is also subject to the same regulations as selling new material. When requesting an export license for a spare part, if the original license number is known, it must indicate the export license number of the item it will replace.

4.16.2 Buyer commitment

- If the Purchaser transfers to a third party, anywhere in the world, the products supplied by the Seller and its documentation, whatever the way the transfer is made, the Purchaser must fulfill all national and international regulations control of (re)export. In any case, the Purchaser must fulfill the rules and regulations

control of (re) export in force in Spain , the European Union and the United States of America

- If it were necessary carry out control of export checks, the Purchaser, at the request of Seller, would provide all information required about the final customer, final delivery place, specific-purpose use of the goods, works and services provided by the Purchaser, as well as export control restrictions that may exist.
- The Purchaser will compensate and exonerate the Seller from any claims, proceedings, action, fines, losses, costs and damages arising out of or in connection with any breach of rules and regulations of export control. In addition, The Purchaser will compensate the Seller for all losses and expenses because of it, unless that breach is not caused by the Buyer blame.