

# GENERAL TERMS AND CONDITIONS OF PURCHASE

## I. DEFINITIONS

Unless expressly provided otherwise in these General Terms and Conditions, or any other meaning is deduced from the context, the terms and expressions that begin with a capital letter are not at the beginning of a sentence or proper noun, shall have the meaning ascribed to them in these General Terms and Conditions:

**"Supply"** means the supply to be carried out by the Supplier in application of the Supply Contract, which is regulated in these General Conditions.

The **"Supply Contract"** means the contractual relationship for the acquisition of the Products regulated by these General Conditions, of which all other annexes and documents relating to the Supply shall form part.

**"Purchaser"** shall be understood as the company with which the Supplier (one or more) is bound by the Supply Contract, as well as any subsidiary thereof.

The **"Product(s)"** means the object of the Supplier's supply to the Purchaser and/or Subsidiaries that meets the technical characteristics defined by the Purchaser.

**"Spare Parts"** means all the spare parts that are part of the Product(s), regardless of the type and nature of the good in which they are integrated and their useful life.

**"Client" or "Final Client"** shall be the end client of the Purchaser.

**"Force Majeure"** means any event that is caused by acts of God, acts of nature, acts of civil or military authority, floods, epidemics, wars, national labour conflicts and prohibitions on export or import, provide such event has been unpredictable, unavoidable, outside of the control of the Party claiming force majeure and has an effect on the fulfilment of the obligations of said Party arising from these General Terms and Conditions or of the Orders.

**"Forecast"** shall be understood as a forecast of demand for Products by the Purchaser.

**"Order"** shall be understood as a written request made by the Purchaser to the Supplier for the delivery of the Products.

**"Supplier"** means the supplier who carries out the Supply of the Products which are the subject of the Supply Contract.

**"Subsidiary(ies)"** of the Purchaser means the company(ies) directly or indirectly owned or controlled by the Purchaser.

**"Claim"** shall be understood as each accident or damage compensable by an insurance company.

**"Suspension"** shall be understood as the Purchaser's right to demand the suspension of the works provided by the Supplier.

## **II. GENERAL ASPECTS**

These General Conditions shall apply to all supplies made by the Supplier to the Purchaser and Subsidiaries, being in any case subsidiary in all those matters that have not been expressly agreed or regulated by the parties in any of the documents that are part of the Supply Contract.

The modifications and/or amendments to the documents that make up the Supply Contract must be in writing. No conditions other than those contained in the Supply Contract shall apply, despite them having been applied in one or several specific cases or not having been explicitly rejected. Neither shall the general conditions of sale of the Supplier be applicable.

## **III. ORDERS. PROCEDURE.**

The Orders, as well as any changes or modifications that were to be made to them, shall be made in writing.

The Purchaser shall issue a written Order. The Forecast may not be regarded, in any case, as an Order.

The Supplier shall respond to all Orders made in writing within a maximum period of FOUR (4) working days as of their receipt, stating whether or not it accepts the Order received. The Order will be binding for the Supplier exclusively upon its acceptance. If the Supplier does not oppose an Order within a period of FOUR (4) working days, said Order shall be deemed accepted.

## **IV. CHANGES AND MODIFICATIONS**

The Supplier undertakes to carry out the changes requested by the Purchaser, both in terms of the design and the characteristics of the Products and the manufacturing process.

The Supplier will not be able to make modifications to (i) the Products (including engineering, design, prices, etc.), (ii) the manufacturing process, without prior consent from the Purchaser. The specific determination of the Products which cannot be changed without the authorisation of the Purchaser, as well as the request and approval of changes shall be governed by the provisions laid down by the Purchaser in each case, in any documents forming part of the Supply Contract, which shall be binding on the Supplier. Any modifications made without the prior consent from the Purchaser shall be considered unilaterally carried out by the Supplier and shall not be valid and therefore applicable.

## **V. PRICES AND FORM OF PAYMENT**

The prices agreed upon in the Supply Contract, or the form for establishing any of them, shall be deemed fixed, definitive and shall not be revised and they include the full scope of the Supply Contract until receipt of the Products to the full satisfaction of the Purchaser (hereinafter, the **“Price”**). Unless explicitly stated otherwise, the prices exclude taxes and VAT. All prices are given in euros unless stated otherwise.

It is presumed that the Supplier had all the necessary information related to the risks of the transaction, as well as other circumstances that could influence or affect the manufacture and delivery of the Products. The Supplier assumes full responsibility for having foreseen the difficulties and costs of manufacture and successful delivery of the Products. The Price shall in no event be adjusted to take into account the unforeseen difficulties or costs.

In the event of deliveries of defective Products, the Purchaser shall have the right to retain any amount that is owed to the Supplier until the defective Products have been replaced.

In the event that between the time of delivery and the incorporation of the Products to the goods sold by the Purchaser, the Purchaser becomes aware of the existence of defective products, the Purchaser has the right to reject and return such defective Products to the Supplier, and these shall be considered as undelivered. The price of these rejected Products shall be deducted from subsequent invoices, if the payment has already been made.

In the event of early delivery, the payment will be made according to the agreed delivery date.

Upon notification to the Supplier, the Purchaser reserves the right make payment via automatic invoicing.

Both Parties expressly agree to the right of the Purchaser to offset the amounts owed between each other in accordance with the Supply Contract, regardless of their nature, in accordance with the provisions of General Condition 15.

The Purchaser may provide the Supplier with a Products supply forecast, without at any time being obliged to place any Order.

All taxes, charges or levies relating to an Order will be paid for by the corresponding Party in accordance with the provisions of the law.

## **VI. DELIVERIES AND DELAYS**

The delivery dates are binding and their commitment to compliance by the Supplier has been essential for formalising the Supply Contract. Its compliance shall be determined on the date on which the Purchaser receives the Products pertaining to the Supply Contract.

The Supplier shall be responsible for all damages and losses arising from a delay in time, as agreed in the Supply Contract, including any additional transport costs, restarting costs or additional costs for purchasing the Products from third parties. In the event of a real or

foreseeable delay, the Supplier must inform the Purchaser as soon as it has knowledge that the delay will occur, as well as adopting, at its own expense, all necessary measures to avoid or minimise the delay.

In addition to the provisions of the preceding paragraph of this Condition, in the event a delay in the delivery of the Products pending delivery, the Supplier will be subject to a 1% penalty per week of delay on the price of the Supply Contract. The maximum penalty for this concept may not exceed 10% of the value of the Supply Contract. This penalty may be enforced through offsetting against the price of the invoices that the Purchaser owes to the Supplier.

The penalty for delay does not exclude the Supplier's responsibility to compensate the Purchaser for all the damages and losses incurred as a result of the delay.

All deliveries must be accompanied by a delivery note - and a material certificate, if available -, bearing the heading and Order number of the Supplier, specifying the Products delivered under the same terms as the Supply Contract, and where appropriate, their breakdown by boxes or any other packaging, as well as gross and net weights.

All the Products must be received correctly identified, indicating the internal code of the Purchaser and with the appropriate packaging for the type of Product, which must be approved in advance by the Purchaser. The Supplier must guarantee the traceability of the Products, as well as their components and associated materials, where appropriate, and all operations (transport, process, maintenance, etc.) carried out during the life of the Product.

Unless otherwise specified in the Supply Contract, the storage, packaging and transport costs, including customs, handling, packaging, unpacking, insurance and, in general, all consequences derived from the delivery, shall be borne by the Supplier.

## **VII. NON-CONFORMING PRODUCTS AND QUALITY OBJECTIVES**

### **a. Handling non-conforming Products**

The Supplier is obliged to deliver Products that meet the specifications agreed upon in the Supply Contract. The Purchaser shall notify the Supplier regarding any deficiency in the Products as soon as this has been discovered. The foregoing does not mean that the Purchaser is obliged to inspect the Products delivered.

The signing of the delivery note or any other delivery document may in no case be interpreted as an express or implied acknowledgement of fulfilment of the obligations inherent to the Products delivered, or as a waiver to request that the Supplier fulfils its obligations. Neither shall payment constitute or may be understood as acceptance of the quality of Products. Therefore, after the delivery, the Purchaser reserves the rights that correspond for any lack, loss, damage or disagreement that may be detected even after the incorporation of the Products into other goods manufactured by the Client, of the modification of the Products and/or delivery of the Products to the Client.

The non-compliant Products must be replaced or repaired by the Supplier at its own expense. The procedure to be followed in this case will, to the extent possible, be agreed with the Supplier. In the event of not reaching an agreement, the Purchaser will decide upon the procedure to be carried out. The costs for the repair and/or replacement, as well as the costs for return and scrapping shall be borne by the Supplier.

In addition, the Purchaser reserves the right to directly access the subcontractors of the Supplier.

#### **b. Quality objectives**

Without prejudice to the quality objectives laid down in the Supply Contract, specific or more restrictive quality objectives may be assigned in relation to the non-compliant products. This objective will be reviewed annually based on the results obtained in the previous period. In the event of not meeting these objectives, the Supplier shall be obliged to submit an action plan to achieve them. Failure to comply with the general objectives set out in the Supply Contract shall entitle the Purchaser to terminate the Supply Contract on the grounds of breach by the Supplier.

The Supplier accepts that the Purchaser may carry out periodic audits on the Products in the course of manufacture and/or on the process used for their manufacture, assuming that the corrective actions resulting from these audits must be performed when this would result in an improvement of the quality of the Product or the manufacturing costs of the same.

### **VIII. LIABILITY OF THE SUPPLIER - INSURANCE**

The Supplier shall be liable to the Purchaser and third parties for all direct and indirect damages arising from the manufacture and delivery of the Products.

The Supplier shall indemnify the Purchaser for all damages or expenses incurred to comply with the commitments made by its Final Client (such as additional transport costs, need to hire additional labour, etc.) and shall indemnify the same for all the quantities that the Supplier must pay to the Final Client, for the damages or penalties applied by the latter, which are attributable to a non-compliance by the Supplier.

The Supplier undertakes to maintain the Purchaser free from all liability and to fully compensate said party for all liability for death, personal injuries or material damages arising from any non-compliance attributable to the Supplier, due to any non-compliance of the regulatory provisions in the field of health, safety, hygiene and environment, including reasonable attorney's fees for the defence by the Purchaser and, where appropriate, of the insurance policy excess amount.

The Supplier shall have a civil liability insurance policy that covers the financial consequence arising from any damage caused to third parties, including material damages and bodily injuries derived from the implementation of the Supply Contract, including exploitation, professional, coverage, employer's, products, replacement and/or removal of Products and other works, with sufficient cover to respond for the liability that may be attributed per Claim. The Supplier undertakes to maintain the policy in force

during the term of the Supply Contract, and to deliver a copy to the Purchaser or to the Client, where appropriate.

The insurance policy must also cover any property of third parties.

The Supplier must take out liability insurance for defective Products.

The requirement that the Supplier must maintain the insurance cover does not release, replace or limit the Supplier's liability before the Purchaser.

## **IX. SUSPENSION**

The Purchaser reserves the right to suspend in whole or in part the implementation of the Supply Contract, at any time, and the suspension shall become effective on the date of the written notice issued to the Supplier. The Supplier shall suspend the implementation of the Supply Contract as of receipt of the above-mentioned notification.

In this case, if the suspension of the implementation of the Supply Contract exceeds six months, the Parties shall meet as soon as possible to examine the contractual impacts and the possible subsequent resumption of the implementation of the Supply Contract.

The resumption of the implementation of the Supply Contract shall be notified in writing to the Supplier, which will not be entitled to reject it.

## **X. VISITS TO THE SUPPLIER / OBLIGATION TO INFORM**

In the framework of the commercial relationship, the employees of the Purchaser may access the production workshops of the Supplier at any time, prior communication by the Purchaser with reasonable notice. The purpose of these visits is to establish the progress of the quality planning, carry out process audits and deal with complaints jointly on-site.

The Supplier shall be prepared to assist the Purchaser in cases where there is a complaint from his client, who has received the Products, alone or integrated with others or in a complex machine, whenever this is requested by the Purchaser.

## **XI. OUTSOURCING AND ASSIGNMENT**

To outsource part or all of the Products object of the Supply Contract to other companies, the Supplier must necessarily obtain prior written authorisation from the Purchaser, who shall have the right to verify at the premises of the subcontractors that the outsourced product meets the specified requirements.

The Supplier shall not be able to assign the Supply Contract in whole or in part to a third party without having obtained prior written consent from the Purchaser.

In any case, neither the authorised outsourcing or assignment will release the Supplier from its contractual obligations, which will remain the responsibility of the Supplier. The non-consensual assignment of the Supply Contract, either in whole or in part, shall be void.

For the supply needs and for the benefit of the entire production chain, both in price and quality criteria, the Purchaser may indicate to the Supplier that the acquisition of a component or raw material is to be made with a specific subcontractor. Without prejudice to indicating a subcontractor, the Supplier will remain fully responsible for the quality, delivery and other requirements of the Products covered by the Supply Contract, unless within a period of ten (10) days from the date of communication to the Supplier of the identity of the subcontractor, the former has expressed any reservation regarding this subcontractor's ability to meet the needs required.

## **XII. WARRANTY AND SPARE PARTS**

### **XII.1 Warranty**

The warranty of the Products covered by the Supply Contract will expire, at least, twenty-four (24) months after receipt of the equipment incorporating the Product by the Client or from the start of mass production using the Product of the components, machinery, equipment or parts to which it will be destined, which shall in no case exceed thirty-six (36) months as of the delivery of the Products to its client, who has received the Products, alone or integrated with others or in a complex machine.

The warranty obligation assumed by the Supplier includes both the assumption of the costs associated to the Product under warranty (repair, replacement, etc.) and the claims made by the Final Client to the Purchaser for the delivery of defective products.

The Supplier shall bear all costs and risks of the works carried out under warranty.

The products manufactured in accordance with the warranty, shall be guaranteed under the same terms and conditions as those applicable to the Products.

The Supplier shall guarantee a minimum period of intervention/response under warranty, for the defects reported.

### **XII.2 Spare Parts**

The Supplier shall provide the Buyer with a list of the necessary and recommended Spare Parts for the Product, with a description of the price of each one of them, which shall be applicable in all those cases in which their replacement is not covered by the Warranty defined in the previous section. The price update will be possible when the increase in the cost of the Spare Parts is duly justified by the Supplier, with a maximum limit of 10% with respect to the stipulated price.

The Supplier must guarantee the availability of Spare Parts for a period of twelve (12) years from the start of the Warranty period set out in the previous section.

## **XIII. TERMINATION**

### **XIII.1 Termination due to non-compliance**

The Purchaser may terminate the Supply Contract, in whole or in part, in the event of a breach of obligations by the Supplier.

To this effect, without limitation, the Purchaser shall have the authority to terminate the Supply Contract in the following cases of non-compliance:

- a) Reaching the maximum penalty limit for delays, under the terms set out in Clause VI of these General Terms and Conditions.
- b) Not meeting the quality or quantity requirements required by the Supplier.
- c) The non-payment of the amounts owed by the Supplier to its subcontractors, even upon commencing a judicial insolvency procedure.
- d) The assignment or outsourcing of the Supply Contract without consent.
- e) A modification of the Products which has not been authorised by the Purchaser or the deviation of its characteristics from what was established by the Purchaser.

The termination due to non-compliance must be sent in writing to the Supplier.

The notice of termination shall provide the Supplier with a period of thirty (30) days to remedy the non-compliance, after which, if the non-compliance has not been remedied, the Supply Contract shall be automatically resolved.

### **XIII.2 Termination due to Convenience of the Purchaser**

Without prejudice of the resolution due to expiry of the initial term agreed to, the Purchaser may withdraw, in whole or in part, from the Supply Contract, without the need to justify the cause, by sending the Supplier written notice with ninety (90) days advance warning.

### **XIII.3 Effects of the Resolution and Termination of the Supply Contract**

As of the date of resolution of the Supply Contract due to any reason, the Supplier will be obliged to:

(i) suspend the implementation of the Supply Contract; (ii) at the request of the Purchaser, make available to the Purchaser the Products in the state in which they are and the goods acquired for the manufacture of the same and (iii) at the request of the Purchaser, assign all rights arising from the orders and/or contracts with third parties entered into by the Supplier for the implementation of the Supply Contract.

The Purchaser may claim for the damages and losses caused by the Supplier.

In the event of termination due to convenience of the Purchaser, if the latter has met the deadline for notifying the termination, the Supplier may not claim any compensation for damages and losses.

The confidentiality obligations shall remain in force for a period of ten (10) years after the conclusion of the Supply Contract. The general conditions and clauses of the Supply Contract the effects of which are to extend beyond its validity shall remain in force. The warranty and payment obligations shall remain in force until full compliance.

#### **XIV. TRANSFER OF OWNERSHIP AND RISKS**

The ownership of the Products shall be transferred to the Purchaser at the time of delivery or upon payment, whichever comes first.

#### **XV. COMPENSATION**

The Purchaser, as well as any of the companies belonging to the Group to which the Purchaser belongs, may deduct or offset any amount owed to the Supplier by any of these company, with any amount that the Supplier owes to any of these.

#### **XVI. INDUSTRIAL AND INTELLECTUAL PROPERTY**

The intellectual and industrial property of all material documentation, parts, drawings and, in general, any document, part or information that the Purchaser has provided to the Supplier is and will remain of the exclusive property of the Purchaser.

The files or drawings provided by the Purchaser may not be copied by the Supplier, or transferred to another person or entity, or used for any purpose other than the manufacture of the Products for the Purchaser. Said drawings and files must be returned at the request of the Purchaser.

Accordingly, the Supplier is not allowed to carry out any operation involving the copy, registration, manufacture, marketing, advertising, assignment or use for a purpose other than that defined in the previous paragraph. The Supplier is forbidden to register any of the Products, drawings or manufacturing processes under any industrial property right.

#### **XVII. ASSIGNMENT OF RIGHTS AND OBLIGATIONS**

DANOBATGROUP, S.COOP. may assign to the Purchaser(s) the rights and obligations arising from these General terms and Conditions or from any other that is part of the Supply Contract which has not been formalised by the Purchaser(s), without the need to obtain consent from the signatories.

#### **XVIII. DISPUTE RESOLUTION AND APPLICABLE LAW**

These General Terms and Conditions and the Supply Contract of which they are a part, shall be governed by the laws of Spain, expressly agreeing the non-applicability of the Vienna Convention of 11 April 1980 on Contracts for the international sale of goods.

If a dispute arises in connection with these General Terms and Condition and the Supply Contract of which they are a part, the responsible representatives of the Parties to the dispute will attempt in good faith to resolve such dispute. At the request of either of the Parties, a representative of the senior management of each Party will participate in the negotiations. Each Party shall have the right to put an end to these negotiations by written notification to the other Party at any time.

All disputes arising in relation to these General Terms and Conditions and the Supply Contract of which they are a part, and which are not resolved in accordance with the preceding paragraph, shall be definitively settled in accordance with the following paragraph.

In the event that the Parties do not reach an amicable settlement of the dispute, the Parties expressly submit to the Courts and Tribunals of the domicile of the Purchaser, expressly waiving any other jurisdiction to which they may be entitled, for the resolution of potential disputes that may arise from the interpretation, development, implementation and/or resolution of these General Terms and Conditions and of the Supply Contract of which they are a part.

## **XIX. MISCELLANEOUS**

### **➤ Protection of Personal Data**

The execution of this document does not imply access to personal data held by the other Party, with the exception of the identification, contact and capacity data which, where applicable, are set out in this document. In the event that in the development of this document the Parties warn of the need for one of the Parties to have access to personal data owned by the other Party, both parties shall enter into a new agreement containing all the obligations required of the Parties by virtue of Organic Law 3/2018, of 5 December and Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data (hereinafter referred to as the 'RGPD') or any successor, supplement or further regulation.

The Parties inform the representatives signing this document that, in accordance with the provisions of the RGPD and other applicable regulations, their personal data will be processed by each of the Parties in order to allow their contractual relations to be maintained.

Furthermore, the Parties guarantee to comply with the duty of information with respect to their employees whose personal data are communicated between the Parties for the maintenance and fulfilment of the contractual relationship.

The legal basis that legitimates the processing of data of data subjects is the necessity for the conclusion and execution of this document.

The data will be kept for the duration of this document and for the period prescribed by tax law.

In any case, the affected parties may exercise their rights of access, rectification, cancellation/suppression, opposition, limitation and portability before the corresponding party through written communication to the registered office at the beginning of this document, providing a photocopy of their national identity document or equivalent document and identifying the right requested.

Likewise, in the event that they consider their right to personal data protection to have been violated, they may lodge a complaint with the competent Data Protection Authority.

➤ **Language**

Without prejudice to these General Terms and Conditions and any other documentation that is part of the Supply Contract being translated into several languages, the wording that will prevail for both these General Terms and Conditions and for the rest of the Supply Contract will be the Spanish version.

➤ **Waiver**

The fact that the Parties do not exercise any right, term or privilege or demand the fulfilment of any obligation shall not constitute an implied waiver of any of the terms, rights and privileges contained in the Supply Contract.

➤ **Nullity of any of the clauses**

If any of the terms and/or conditions of the Supply Contract is declared null and void, voidable or unenforceable, said declaration shall not invalidate the rest of the Supply Contract, which will maintain its validity and effectiveness. The headings and titles of these General Terms and Conditions of Purchase only seem to facilitate their consultation, and will therefore not affect the interpretation of the provisions contained therein.

➤ **Force Majeure**

Neither Party shall be responsible for the breach of its obligations, provided such breach is due to a Force Majeure Event.

The Party affected by the Force Majeure Event shall notify the other Party, as soon as possible, expressing the facts it is facing, the estimated duration of the Force Majeure Event and the measures taken to mitigate its effects.

If the Force Majeure Event, which affects the Supplier, extends beyond ten (10) days as of the date on which the Purchaser has been informed, the Purchaser may terminate the Supply Contract, in whole or in part, by sending a registered letter with acknowledgement of receipt and provided that it has not been possible to reach a joint solution to solve the problems caused by the Force Majeure Event.

During the Force Majeure Event, the Parties may adopt the measures they deem appropriate to prevent the damages caused by the inability of the Supplier to meet its obligations.

➤ **Compliance with legislation**

The Supplier must comply with all its social obligations, which are required by the applicable regulations, such as the payroll, accident insurance, social security, etc.

The Supplier must comply with all applicable standards both in the country of manufacture and in the final delivery, necessary for the manufacture of Products and with all the standards relating to safety and the environment.

The Supplier shall comply with the legislation on tax, labour and social security, both in terms of the staff employed and the labour required to manufacture the Products, and in terms of health and safety at work.

The Supplier must comply with all its social obligations, which are required by the applicable regulations, such as the payroll, accident insurance, social security, etc.

In any case, the Supplier is obliged to indemnify the Purchaser for any claim, sanction, fine, damages of all kinds, due to a failure to comply with the rules referred to in this General Condition.

➤ **Ethical Commitment**

The Supplier will respect the protection of human rights, minimum labour standards, environmental responsibility and the prevention of corruption. Accordingly, the Supplier expresses zero tolerance towards crimes of any kind and expressly prohibits their commission, both directly and through third parties, in relation to the implementation of the Supply Contract.

As a result, the Supplier undertakes to not commit any act of corruption, including bribery, influence peddling and money laundering, as well as to prevent this type of behaviour within its organisation in relation to the implementation of this Supply Contract. These statements affect both the Supplier itself and all its staff, as well as to all subsequent subcontractors and any person related to the Supplier, for the implementation of this Supply Contract.

In the event of a failure to comply with the provisions of this General Condition the Purchaser may terminate the Supply Contract in advance, without prejudice to any other rights that might correspond to the Purchaser, including compensation for damages and losses caused.

As proof and acceptance of the statements and provisions set out in this document, the Parties sign these General terms and Conditions, on two copies for one sole purpose.

Date:

Signature and stamp: