

MIGUEL CARRERA Y CÍA, SAU

GENERAL CONDITIONS OF PURCHASE

1. GENERAL OUTLINES

In this document, "Supplier" will be understood as the entity to which the order is passed and which appears on said order. The "Buyer" will be understood as the company making the purchase.

2. ACCEPTANCE OF THESE PURCHASE CONDITIONS

The fact that the Supplier accepts an order means that he/she accepts these general conditions without any reservations.

Any revocation or modification of these general conditions of purchase must be expressly stipulated in the special conditions of the order.

Revocations will only be applicable to the order to which they specifically refer, without the Supplier being able to extend them to other past or future orders.

3. VALID ORDERS

The Buyer and the Supplier agree to admit as valid orders only those that are made by the Buyer's Purchasing Department or with this department's approval. Without being bound to it in any way, the Buyer may ignore any order, even if it is made in his/her name, made by third parties or departments or sections of his/her company other than the Purchasing Department and without its approval.

4. ACCEPTANCE OF THE ORDER

Within a period of two (2) days after the receipt of the Purchase Order by electronic mail, the Buyer will receive the corresponding acknowledgement of receipt of it. Furthermore, within eight (8) days after the Purchase Order is issued, the Buyer will receive a stamped copy signed by the Supplier as proof of acceptance. Otherwise, we shall consider the order accepted in all its terms.

5. OFFERS

All the terms, conditions and specifications included in or attached to the Supplier's offer, as well as in the correspondence regarding it, to which express reference is not made on the order, will be understood as rejected by the Buyer and will be ineffective and considered as not placed. The mere mention of the offer on the order or ANNEXED documents does not modify this clause.

Likewise, the Supplier's General Conditions of Sale, which he/she expressly renounces by accepting the order, will not be effective.

The offers will be delivered on the date or within the period indicated.

6. PRICES AND SPECIAL PAYMENTS

1. In general, the prices will be understood for merchandise deposited in the place requested and they will include packaging, temporary storage, loading and transport.

2. As long as nothing else is indicated, the prices included on the order will be final and unalterable. Price increases on those indicated on the order will not be admitted, unless they are authorised in writing through the revision of the corresponding order.

3. Payment of the price of the order will not mean any renunciation whatsoever of the rights of the Buyer stipulated on said order.

4. Special payments that are not expressly indicated on the order will not be admitted.

5. The Supplier will be responsible for any difference in freights, carriages or other expenses caused by failure to comply with the dispatch instructions specified on the order or in the chosen Incoterm.

7. CONDITIONS OF PAYMENT

1. *Method of payment.* Any method of payment must be approved in writing by the Buyer.
2. *Payment term.* All payments will be made within 120 days from the date of receipt of the invoice at the Buyer's address indicated on the order.
3. *Means of payment.* Payments will be made through a usual bank bill (nominative cheque, promissory note, bank transfer, etc.).
4. *Special conditions.* Expenses originated by guarantees will be met by the Supplier.
5. *Invoicing conditions:*
 - 1) All invoices must contain the requirements demanded by the VAT regulations and the applicable current legislation.
 - 2) An original and one copy of the invoice will be sent on which it will be compulsory to include the purchase order code, the delivery note line and number, the product code and description, the quantity, the unit price, the total amount, the date, the due date, the registered name, the tax identification number and the address.
 - 3) One of the following documents must be enclosed with the invoice:
 - a) For the delivery of materials: copy of the delivery note or references from the acceptance certificate.
 - b) For provision of services:
 - Consent order for the services rendered, if applicable.
 - References of the Supplier's payment of Social Security quotas.
 - Breakdown of the amounts invoiced per project.

8. DISTRIBUTION OF DOCUMENTS

1. The Supplier must send the Technical Documents required on the purchase documents, without any charge whatsoever for the buyer.
2. The Supplier will provide the invoices, dispatch notices and dispatch documents in the planned form and number of copies.
3. The Supplier's delay in the delivery of the plans or documents indicated on the order or its ANNEXES will mean that any due payments will be suspended until the Buyer receives said documents.
4. For a period of 10 days from the date of delivery of the supply of the materials and services that fulfill the corresponding order, the Supplier undertakes to keep the originals of all the documents required on said order (quality certificates, authorisations, final plans, X-rays, test and trial certificates, etc.) in his/her possession, and any other document that the Supplier considers appropriate from the inspection and quality control point of view.
5. During the period indicated in the above section, the Supplier undertakes to provide the Buyer with additional copies of the above-mentioned documents at the Buyer's simple request.

9. INSPECTION

1. The Buyer and his/her authorised representatives may inspect the material and/or equipment at the Supplier's or the subcontractors' workshops before it is dispatched, and they must place everything required for this at his/her disposal. The inspection and acceptance of the material will not exempt the Supplier from his/her guarantees and responsibilities for supplying the material and/or equipment in strict accordance with the specifications.
2. The Buyer may dispense with the inspection at the factory, without this meaning he/she renounces his/her right to inspect the material at the place of destiny. If the material and the equipment are rejected at the place of destiny, even after they have been installed and started up, they will be returned to the Supplier to be reimbursed or substituted free of charge to the Buyer. At his/her discretion, the Buyer may proceed to have the necessary repairs done and he/she will pass the corresponding charge on to the Supplier. With at least 3 days' notice, the Supplier will inform the Buyer of the date planned for inspecting or testing materials and/or equipment.

10. TRANSFER

The Supplier may not assign or transfer the order or any of the rights or obligations that arise from it without the Buyer's previous written approval.

11. SUBCONTRACTS

1. The Supplier may not subcontract the content of the order, totally or partially, without the Buyer's previous written approval. The purchase of raw materials and standard or commercial elements will be considered part of the main contract.
2. In the event of having obtained authorisation to subcontract, the Supplier will remain fully responsible for the supply and/or the labour, as well as for the sub-orders that are made.
3. The Supplier will provide the Buyer with copies of all the sub-orders, including those for raw materials and standard or commercial elements. In line with the above, the Supplier will inform of the origin of his/her possible supplies at the Offer Request stage.

12. PATENTS

1. The Supplier will hold the Buyer or third parties who use or sell the material and/or equipment which is the object of the order harmless and will defend them, free of any charge, in the face of any lawsuit or court action for infringements of patents, invention rights, copyrights or commercial trademarks resulting from the use or sale of the aforementioned material and/or equipment.
2. The Supplier will also hold the Buyer free of responsibilities or damages and he/she will indemnify him/her for any loss, economic guarantee, cost, damage or expenses he/she may incur due to any lawsuit or court action against them or third parties who use or sell the material and/or equipment which is the object of the order. The Buyer may form part of the Defence against these lawsuits or actions if he/she decides to do so, or he/she may take on the defence himself, using his/her own Lawyers.

13. LEGAL REQUISITES

1. The Supplier must comply with all the laws and regulations applicable to both the order since it is signed and to the material and/or equipment which are the object of it.
2. When carrying out the order, the Supplier will act as his/her own legal, independent entity and in no case as an agent of the Buyer. Under no circumstances will the Supplier's employees consider themselves dependent on the Buyer.
3. The Supplier will inform of any legal change that affects the product supplied with sufficient time in advance.

14. CANCELLATION

1. The Buyer may cancel the order, totally or partially, at any moment by simply informing the Supplier by registered post. On receipt of this notification, the Supplier will stop all work related with the order and will put all the resources within his/her reach to cancel the pending orders and subcontracts in satisfactory terms for the Buyer, and will confine him/herself from that moment on to doing the necessary work to preserve and protect the jobs in progress and everything related to the Buyer. Payment of the work carried out or in the course of being finished at the moment when the notice of cancellation is received will be negotiated between the Supplier and the Buyer according to fairness.
2. The Buyer may cancel the order totally or partially, using the powers conferred to him/her by this clause, without incurring any expense and only by informing the Supplier by registered post, in any of the following cases:
 - a) Non-compliance of some fundamental clauses of the order, attributable to the Supplier.
 - b) When the Supplier's legal status expires, or he/she falls into a bankruptcy or insolvency situation.
 - c) When, in the Buyer's exclusive opinion, the delays at the different stages of the order being carried out, such as at the design process, when stocking the materials, at the manufacturing or assembly process, etc., the agreed delivery times may be compromised.
3. In any event of the order being cancelled, all the materials, plans, documents, etc. for which the Buyer has already paid the Supplier will become the property of the Buyer and must be delivered to him/her immediately.

15. ACCIDENTS AND COMPENSATIONS

1. If the Supplier has to enter the Buyer's work area directly or through his/her agents or employees, he/she will take out the appropriate insurance policies previously. He/she will take all the necessary precautions to prevent accidents and personal or material harm that could affect any person or property during the work process which is the object of the order, and he/she will abide by the corresponding

occupational hazard preventive measures, and he/she will exempt the Buyer from any loss or economic responsibility directly or indirectly resulting from his/her actions. With a minimum of X days in advance, the Supplier will be obliged to provide the Buyer with a list that identifies the people who will be having access to the Buyer's work area, who can deny access to anyone who is not on said list.

2. The Supplier will compensate the Buyer and will exempt him/her of all loss, economic responsibility or penalisation he/she incurs due to non-compliance of legal standards when carrying out the order.

3. The Supplier undertakes to take out the necessary Third-party Insurance Policies for Damages to Third Parties and Work Accidents to protect the Buyer from the aforementioned risks and from any claim due to non-compliance of the Social Security Laws. The Supplier will send the Buyer copies of the Insurance Policies and will undertake to extend their coverage if it were considered necessary in the opinion of the Buyer.

4. The Supplier will exempt the Buyer of all claims for accident or death of his/her own employees, and of those made by third parties in relation to damages within the property that are produced or result from accidents, the Supplier's actions or omissions or from rulings on the guarantees included in this chapter.

5. In the event of the Supplier incorporating the material and/or equipment that has to be supplied by virtue of the order or its ANNEXES, or he keeps material or equipment on behalf of the Buyer with which the latter directly or indirectly provides him/her, the Supplier will be fully responsible for any loss or damage that occurs to said material or equipment from the moment in which it enters into his/her possession until it is passed back to the Buyer's or some other person's possession who is authorised to receive the materials.

16. GUARANTEES

1. The Supplier guarantees the Buyer that his/her material (i.e. raw materials, components or articles of any type supplied through this order):

a) Is free of manufacturing or handling defects.

b) Is in accordance with the specifications, plans, samples or other established descriptions that are applicable to it.

c) Is appropriate for the purpose it is meant for.

d) Is new and its quality is the appropriate one.

2. In all cases, he/she guarantees in favour of the Buyer that the article of his/her design is free of design, material and implementation defects for a period of 36 months from the delivery of the supply, or 24 months since the equipment is started up, and, during this period, he/she must proceed to correct the defects that may arise at the simple request of the Buyer, or to replace the faulty parts or materials of the Buyer's choice. For all the material replaced or repaired, and for all the elements related to it, a new period of guarantee which will be the same as the previous one will be established, to be counted from the moment in which the new part is put into service.

In the event of the Supplier not fulfilling his/her obligation to correct or replace the faulty parts or materials, the Buyer may correct these parts or materials and charge the Supplier the resulting costs.

Approval in a previous inspection will not free the Supplier of his/her obligations resulting from this guarantee.

For the purpose of the guarantee foreseen in this section, the Supplier will issue the corresponding documents.

In any case, this guarantee does not mean the cancellation or renunciation of the Supplier's legal obligation to rectify in the case of hidden defects.

3. The Supplier also guarantees that everything supplied according to the order is free of burdens and charges in favour of third parties not declared or known by the Buyer. The Supplier will exempt and compensate the Buyer for any expense or burden resulting from the lack of compliance of his/her contractual obligations with his/her suppliers, subcontractors, employees, agents or any person with whom he/she has made a commitment of any type which affects the Buyer's order.

17. TERMS OF DELIVERY

1. The Buyer will indicate the terms of delivery on each order or contract.

2. Delivery will preferably be made in the mode of supply to the Buyer's grounds with expenses paid.

3. When the Supplier does not meet the delivery deadline on each order and the delay is not attributable to causes of *force majeure* as defined below, the Supplier will assume a weekly penalty of 0.5% of the total amount of the order. Under no circumstances may the penalties for delay exceed 10% of the total amount of the order.

18. STORAGE

1. The Supplier undertakes to keep the order's material and/or equipment deposited in his/her warehouses at the Buyer's simple request, free of any charge whatsoever, for a maximum period of 30 days from the date on which they are delivered. This storage will be done in such a way that the materials and/or equipment are kept in perfect condition.

While they remain in the Supplier's warehouses, the materials and/or equipment must at all times be identified as the Buyer's property, even in the former's accounts, if applicable, obliging the Supplier to have it recorded this way in the event of any possible claim or embargo of third parties on him/her, of which he/she will immediately inform the Buyer, as well as, if applicable, of any embargo carried out in spite of his/her opposition so that he/she may defend his/her rights.

2. At any moment and at his/her discretion, the Buyer may proceed to totally or partially remove the materials and/or equipment found stored in the Supplier's factories and/or warehouses, for which the latter will offer his/her full collaboration and, under no circumstances, may he/she retain them under any concept or carry out acts that impede or make it difficult for the Buyer to remove them, except in the case of *force majeure* as defined below, including those incidents that are not exclusive to the Supplier and that are of a general, sector or local type, but as long as they have not been produced by the Supplier's employees, through a claim against him/her or due to his/her labour, economic or legal situation.

In the event of these incidents not physically or in any other way preventing the removal of the materials and/or equipment, as long as it is possible, the Buyer will provide the people required for this. The material resources and the Supplier's collaboration will be used for these purposes. In the event of the agreement made in this section not being met, the Supplier will be obliged to compensate the Buyer for all the damages he is caused as a result.

19. PACKAGING, IDENTIFICATION AND DISPATCH

1. All the materials and/or equipment will be packed by the Supplier in a way that allows them to be handled, transported and stored with guarantee. The containers will be solid in accordance with the size, type and weight of the items contained in them, and they will be conveniently secured to prevent sliding while they are in transit.

2. The content will be properly and conveniently protected with materials that resist the atmospheric agents and materials that prevent corrosion, protection against extreme temperatures and protection against theft and mistreatment will be used where necessary.

3. All the materials will be identified in a perfectly legible manner, and the Buyer's registered name and order number will be indicated on all the visible parts.

4. An attempt will be made to reduce the volume of the packaging as much as possible. All those parts that allow it and are not rigidly bound to a main part of the equipment can be packed separately, while care will be taken to clearly mark them for easy identification. On the machinery, the corrosible parts must be protected with proper substances before being packed. Likewise, proper protection must be given to the instruments, precision tools, spare parts, electric motors, etc. that need to be kept in damp-free conditions.

5. Fragile items that have to be lifted will be kept held to supports that allow them to be handled by cranes and lifts, and the suspension points will be clearly identified.

6. With each dispatch, a receipt or delivery note will be enclosed on which the purchase order, line, date of delivery, code, product description, quantity and address of the dispatch will be indicated.

20. TAXES AND DUTIES

1, The Supplier undertakes to meet the tax obligations of his/her personal tax based on his/her payroll and he/she also takes responsibility with respect to the Buyer for the current legislation on Social Security and on any other national or local compulsory tax to be observed. The Supplier particularly undertakes to:

a) Faithfully do his/her duty by his/her employees with respect to their salaries and payment of the Social Security quotas. For this purpose, the Buyer may ask him/her to present copies of the documents that justify that these obligations are met. Failure to meet these obligations or not presenting the documents that justify this may be considered as a "non-compliance of some fundamental clauses of the order attributable to the Supplier" for the order to be cancelled in the terms foreseen in clause 13.

b) Faithfully meet his/her tax obligations both related to his/her workers and to the execution of the order. For this purpose, the Buyer can ask him/her to present the corresponding certificates that justify that these obligations are met. Failure to present these certificates or their renewals will authorise the Buyer to

withdraw the order while this is not done and, in the event of the order not yet having begun to be carried out, this may be considered as a “non-compliance of some fundamental clauses of the order attributable to the Supplier” for the order to be cancelled in the terms foreseen in clause 13.

2. The Supplier will be responsible for all taxes and duties, except the Value Added Tax (VAT), for which the Buyer will be responsible.

3. In the event of new taxes being created, they will be paid by the party to whom it corresponds according to what is stated by the law, unless the new taxes replace others that already exist, in which case the circumstances established in the above section will be applied.

21. ADVERTISING

None of the materials which are the object of the order can be referred to, described or used as an illustration for advertising purposes without previous written authorisation from the Buyer.

22. TITLE DEED

1. The title deed and the risk of losing material for different reasons apart from those that give rise to the establishment of the guarantees will be passed on to the Buyer from the moment they are delivered, without affecting the legal obligations of rectification that correspond to the Supplier.

2. The Supplier will expressly state on the sub-orders to other companies that the materials to be delivered by them are not subjected to reservation of right of legal ownership, embargo or other burdens that bind the Buyer who will exercise his/her full control over the materials in question from the moment they are delivered.

23. DOCUMENTATION

1. It is understood that all plans, designs and specifications delivered by the Buyer to the Supplier exclusively belong to the Buyer and are considered confidential. Consequently, the Supplier undertakes not to lend or, in general, use them or their copies or reproduce them without the Buyer's previous consent, given in writing for each case.

2. The Supplier will be responsible to the Buyer for any improper use of this documentation both by him/her or by the personnel that depends on him/her and by the other companies that he involves or by their personnel.

3. The Supplier is responsible for delivering the parts in accordance with the latest revision of the plan, which is updated in the suppliers' area of the Supplier's Intranet.

24. COMPLETION OF THE ORDER

The order will not be considered completed until not only the material and the equipment have been delivered, but also the plans, the trial protocols, the lists of parts, the user manuals, instruction books, lists of recommended spare parts with their prices and as much documentation and obligations that have been requested with the order.

25. FORCE MAJEURE

1. Neither of the parties will be considered responsible for failing to meet his/her contractual obligations when the carrying out of these obligations is delayed or made impossible due to a *force majeure* as defined in article 1.105 of the Civil Code, of which the other party will be notified in a maximum period of 48 hours. Under no circumstances will delays or failures to comply resulting from strikes or internal labour conflicts in the Supplier's company be considered supposed *forces majeures*.

2. The stipulated terms of delivery will be prolonged for a period equivalent to the time wasted due to a *force majeure*. In the event of a cause of *force majeure* persisting after the terms of delivery having been delayed for this reason for more than X days, the Buyer will inform the Supplier of the continuity or the end of their contractual relations.

26. QUALITY REQUIREMENTS

1. The Supplier must have as a normal practice a duly documented quality assurance programme prepared according to the guidelines of a standard with acknowledge prestige, and it must be applied to the object of the order.
2. The programme will at least include a quality manual, procedures, inspection point programmes, etc., and it must be at the Buyer's disposal from the moment of the offer.
3. The quality requirements demanded will be those that appear in the technical documents, which will be shown (unless there is an agreement to the contrary) at the receipt inspection that the Buyer will carry out in accordance with the UNE-66020 standard. If as a result of the inspection it is decided that the product or merchandise is not according to what is specified, it will be returned at the sole responsibility of the Supplier.

27. COMMERCIAL RELATIONS POLICY

The best attention that the Purchase Department can receive and the one that is most appreciated from the Suppliers is their constant, systematic work, aimed at the continuous improvement of their products with respect to their quality, price and delivery.

The Buyer can offer collaboration in the introduction of programmes and techniques that lead to improving the three variables mentioned.

The Supplier agrees to apply the Buyer's policy which forbids his/her employees to do or receive favours for/from anyone with whom the Buyer has commercial relations. Any form or sign of bribery will be avoided or reported.

28. ARBITRATION

Any doubt, dispute or disagreement that may arise from this order will be subjected to arbitration in equity of the President of the Chamber of Commerce of Alava or the person he/she delegates.

The costs of the arbitration procedure will at all events be paid by halves, in equal parts.

29. COMPETENT COURTS AND APPLICABLE LEGISLATION

If the arbitration in equity foreseen in the previous clause could not be applied, the incidents, disputes or litigations caused as a result of these "General Conditions" will be subjected to the competence of the Courts and Tribunals of Vitoria-Gasteiz, with express renunciation of the interested parties to any other jurisdiction that may correspond to them.

This order will be governed by the Spanish laws.

Miguel Carrera y Cía., SUA
Vitoria-Gasteiz, July, 2010