



This document describes the conditions, that in general, shall govern the purchase of products and services that are linked thereto on behalf of PACADAR

## 1. INTRODUCTION

- 1.1. The present General Purchase Terms and Conditions (GPTC) shall be an integral part of any Proposal Request, Purchase Orders (PO) for materials, equipment, and/or services in which PACADAR may act as BUYER. Any other conditions different from those set forth herein, shall only be part of the corresponding PO if they have been agreed between the BUYER and the SUPPLIER in writing in the Specific Conditions of such PO. Any contradiction that might exist between what is stated in this document and what is established in the PO shall have no doubt, as the text in the PO shall prevail over these General Terms and Conditions.
- 1.2. These General Terms and Conditions shall be precedence over any other that might have been established or invoked by the SUPPLIER and shall be deemed to be accepted thereby by the mere fact of submitting their proposal, unless the SUPPLIER provides a LIST OF EXCEPTIONS to these conditions and they have been accepted by the BUYER in writing. Nevertheless, in case of any contradiction, the prevalence will be as follows: 1º: PO, 2º. Signed Proposal Drawings and 3º. General Purchase Conditions
- 1.3. Whereas, the parties mutually desire to execute the agreement specified in the present contract shall be governed by INCOTERMS 2014

## 2. PURPOSE OF THE ORDER

- 2.1. The materials and equipment are the purpose of the PO that the BUYER acquires in virtue thereof and the Works or Services that the SUPPLIER is obliged to perform with that reason.
- 2.2. The purpose of the PO includes, in addition to the materials and equipment, and, in its case, works or services detailed therein, all that is necessary for the delivery, use and perfect

operation, in accordance with the technical specifications.

- 2.3. The PO is considered completed when the SUPPLIER has delivered all the material and/or equipment requested from him as well as all the documentation referred to in clause 3 of these GPTC
- 2.4. As a consequence of the foregoing, the BUYER has the right not to pay the outstanding amounts, if the documents and information attached to the Proposal Request and to the PO, have not previously been delivered at a place designated by the BUYER.

## 3. SCOPE AND EXECUTION OF THE ORDER

- 3.1. The PO will automatically change into a contract as from the time a copy of such order marked "ACCEPTANCE OF PO" and signed by the SUPPLIER reaches the BUYER. The SUPPLIER agrees that the PO contain the final agreement between BUYER and SUPPLIER and that there is no other agreement that will modify the terms, conditions or specifications of the PO.
- 3.2. Handwritten notes on PO or contract shall not be accepted
- 3.3. Any incident or circumstance that might arise before or during the manufacture of the equipment, or during the performance of the works or services that can adversely affect the manufacturing, assembly or guarantees, must be made known to the BUYER by the SUPPLIER in writing and without delay.
- 3.4. If the above mentioned amendments/changes of the PO imply any price increase, impact on delivery time or any other contractual term, such amendment must be presented to the BUYER by the SUPPLIER within a maximum of FIFTEEN (15) calendar days, not accepting any claim thereafter.

## 4. TECHNICAL DOCUMENTATION

- 4.1. All drawings, designs and specifications provided by the BUYER to the SUPPLIER must



be considered as confidential and of its exclusive property. They may not be rendered to third parties, copied or used without BUYER's prior written consent.

- 4.2. The PO shall not be considered executed until it has been delivered not only the material and/or equipment, but also drawings, practices protocols, lists of parts, user manuals, instruction books, lists of recommended spare parts and as many documents and obligations have been requested with the PO. And the non-compliance with it, would legitimize the BUYER to request the return of the invoice, to withhold payments until the full acceptance of the order is made, and/or to apply contractual penalties, without detriment of exercising the right to the resolution of the Order. All the costs arising from non-compliance with the specifications of purchased materials shall be on account of the SUPPLIER (travel expenses, accommodation, staff wages necessary, insurance premiums, rental of machinery, energy, etc.), as well as the risks and responsibilities, against both the BUYER and/or Final Client as to third parties, for damages, accidents, compensations, etc. that may occur during the repair.
- 4.3. The SUPPLIER undertakes, during a period of TEN (10) years from the date of the delivery of the supplies, or the services rendered that complete the corresponding PO, to save and guard a copy of all the documentation required therein. (Quality Certifications, official approvals, final drawings, END records, Minutes of tests and practices, etc.).

## 5. MATERIALS AND EQUIPMENT

- 5.1. The SUPPLIER shall be responsible for ensuring that all materials to be delivered, or to be use in the manufacture of equipment subject to the PO are new, of first quality and free of defect, suitable for the purpose for which they are intended, and free of liens and encumbrances. Prototypes shall not be

allowed and any other alternative must be approved by the BUYER.

## 6. MANUFACTURING

- 6.1. The SUPPLIER undertakes to adopt immediately the necessary measures to correct any detected deviations both in term of delivery and the quality of the materials and equipment.

## 7. QUALITY, INSPECTION AND TESTS

- 7.1. The SUPPLIER guarantees the perfect quality of the supplies, with the highest level of quality and professional competence, in accordance with the BUYER's technical specifications, the applicable regulations and the standards of good construction.
- 7.2. The SUPPLIER shall be responsible and shall reimburse the costs of correction, demolition, and rebuild of works that might have been performed with the defective materials supplied, including the shutdown of works and of any other expenditure that the BUYER might have incurred as a consequence of the Non-Quality of the materials supplied.
- 7.3. The BUYER's and/or Final Client's inspectors and/or representatives, will be able to follow the complete manufacturing process of the equipment, through visits to SUPPLIER's and his sub-Suppliers' and Subcontractors' workshops and manufacturing units, during normal working hours. The SUPPLIER shall be required to facilitate to BUYER's inspectors and/or representatives, the means and instruments necessary for them to carry out their mission, without any additional cost to the BUYER.
- 7.4. If during the inspection in the workshop or subsequently on site the BUYER or Final Client sense that the equipment does not comply with any requirement of the applicable standards, technical specifications, codes, characteristics, etc. thereby required, he will be able to freely turn down the equipment without incurring in any expense or cost
- 7.5. It is SUPPLIER's responsibility to perform satisfactorily and on his account all the tests



required in the laws, regulations, bylaws or standards issued by the authorities and official bodies, as well as obtaining, if necessary, the approvals of the collaborating entities of the administration that are regulatory to demonstrate that the equipment complies with the afore mentioned dispositions.

7.6. All the costs related to the services provided by SUPPLIER's staff for the implementation of the inspections and tests, the preparation of the inspection certificates and the tests reports carried out, the issuance of certificates of analysis by qualified laboratories, the execution of the tests in accordance with the PO requirements and its annexes and the drafting of protocols and reports of the final tests, shall run on account of the SUPPLIER. All this in the number of copies set forth in the PO.

## 8. INVOICING AND PAYMENT

8.1. Invoices not adjusted to the specified instructions shall be returned to SUPPLIER for correction, with their payment pertinent delays.

## 9. PENALTIES

9.1. After the delivery period indicated in the PO, and not having carried out such delivery completely, the BUYER may apply penalties for delays provided established in these Terms and Conditions or PO without further notice and without prejudice to the claim for damages caused to the BUYER due to such delays. Only if specified otherwise in the PO, BUYER shall not pay SUPPLIER the premium or bonus whatsoever for any advancement in the delivery of the equipment with regard to the term indicated in the PO.

9.2. Any cost for expenses that the BUYER is forced to incur due to SUPPLIER'S default on the instructions included in the PO and it's attachment concerning packing, marking transports, freight, or any other shall be passed to SUPPLIER

9.3. The penalties for partial or total delays in the deliveries shall be those established in the PO.

In the event of there not being anything established in that respect, the following penalties shall be applied: A 0.5% per week or fraction of delay on the total price of the PO, the first two weeks. A 1% per week or fraction of delay on the total price of the PO, the third and fourth week. A 1.5% per week or fraction of delay on the total price of the PO, the fifth and sixth week. A 2% per week or fraction of delay on the total price of the PO, the seventh and eighth week.

9.4. In the event that the SUPPLIER's delay implies the cancellation of contracted freights and causes additional delays, SUPPLIER shall bear the increase in the cost of transportation incurred to ship the materials by the means which will allow the recovery or diminution of the caused delay.

9.5. In case this deadline is exceeded, BUYER shall be entitled to terminate the PO thereby requiring a damages claim in the case of exceeding these limits.

## 10. COMPLIANCE WITH THE LAWS

10.1. SUPPLIER guarantees that by accepting the PO it shall comply with the laws, as well as with all applicable national and regional regulations and standards, and, especially, those referring to environment, safety at work and defense of the users and consumers.

10.2. If any changes occur in the legislation or in the national or international codes that would be applicable to the PO, subsequent to the date thereof, SUPPLIER must also comply with such modifications.

10.3. SUPPLIER shall provide BUYER with the necessary paper work to obtain permits and approvals of the facilities, where these are responsibility of the BUYER before delivery.

## 11. INSURANCES, ACCIDENTS AND COMPENSATIONS

11.1. SUPPLIER shall have a Civil Liability Insurance covering twice the PO amount over the guaranty period.



11.2. The SUPPLIER will be responsible for any claim from third parties, directly or indirectly related to the PO

11.3. SUPPLIER shall also be responsible for the cost of as many orders BUYER will make to third parties in those cases in which the SUPPLIER does not comply with its contractual obligations as well as deadlines.

## **12. ASSIGNMENT AND SUBCONTRACTING**

12.1. THE SUPPLIER shall not be allowed to subcontract the entire PO or any part thereof.

12.2. The BUYER is expressly entitled to release totally or partially the PO to any enterprise as well as to the Final Client, in the agreed upon conditions and without the prior consent of the SUPPLIER.

## **13. GUARANTEES**

13.1. The SUPPLIER guarantees the BUYER the service life of all equipment and components supplied by him over of 2 years for materials, and 10 years for design, under his own responsibility and expense.

13.2. For repairs, changes and/or replacements on the equipment, the warranty period starts on the date on which the equipment is satisfactory placed in service.

## **14. TEMPORARY SUSPENSION OF THE WORKS**

14.1. The BUYER may suspend the PO or part thereof at any time, with notice in writing to the SUPPLIER, who will renew execution as soon as possible but not later than five days following the date set for its renewal in BUYER's written notice

## **15. CANCELATION AND RESOLUTION OF THE ORDER**

15.1. Any non-compliance with this GPTC or PO shall be considered an infringement by the SUPPLIER to the PO allowing the BUYER to cancel this Order for this cause, without any liability of any kind to the BUYER

15.2. Within the FIVE (05) days following the cancellation notice, the SUPPLIER must deliver the BUYER a complete and detailed list of all Works performed and Supplies received up to the cancellation date, while

being duty-bound to permit the BUYER's immediate takeover of such Works and Supplies.

## **16. PUBLICITY**

16.1. The SUPPLIER shall have no right to make reference to the PO and accepts it under the condition of not mentioning it, announce it or use it for publicity purposes without the prior written authorization of the BUYER.

## **17. LEGISLATION AND JURISDICTION**

17.1. AND BUYER, expressly waiving to any other jurisdiction which could apply, submit themselves to the jurisdiction of the courts and Tribunals of Madrid (Spain)