

## GENERAL PURCHASING CONDITIONS (GPC)

### 1. APPLICABLE CONDITIONS.

These General Conditions of Purchase (GPC) apply to all requests for quotations, orders and agreements concerning the supply of goods to and the rendering of additional services (hereinafter referred to as "deliveries") for the benefit of Neotronic S.A. (hereinafter referred to "Neotronic" or "Buyer"). Any deviations from or additions to these General Conditions of Purchase require Neotronic express written consent. If individual terms of the GPC cannot be applied for any reason whatsoever, all other terms and conditions of the GPC will remain unaffected.

Special provisions or modifications of an Order, specific terms agreed in writing by the Buyer and the Sellers/Suppliers, and any and all documents expressly incorporated therein, which may be in contradiction with the GPC, shall prevail over the corresponding GPC provisions.

### 2. ORDERING, ACKNOWLEDGE AND CONFIRMATION OF ORDER.

Neotronic reserves the right to revoke any order placed or made by it if the supplier neglects to confirm receipt thereof within 7 days in writing by means of an order confirmation. If the order confirmation differs from the original order placed, Neotronic shall only be legally bound after it has agreed explicitly in writing to be in agreement with the deviation. The acceptance of deliveries by Neotronic as well as payments made in this regard shall not imply acknowledgement of any deviations.

### 3. QUALITY AND CONDITION OF THE DELIVERY.

The supplier guarantees that the delivery:

- is of good quality and free from defects;
- corresponds exactly with the provisions of the agreement, the specifications listed and the reasonable expectations of Neotronic regarding the characteristics, quality and reliability of the delivery:
- is suitable for the purpose for which it is intended by its very nature or which is evident from the order;
- complies with legal requirements applicable in Spain and other international Government regulations;
- complies with the customary norms and standards in the relevant branch of trade or industry;
- complies with the statutory European Directives regarding CE marking and the EU declaration of conformity for safety components or the "declaration by the manufacturer" respectively. The supplier shall provide the declaration of CE conformity.
- complies with the Electromagnetic Compatibility and Electrical Security European Directives.

If reference is made in the agreement to technical, safety, quality, environmental or other regulations and documents not attached to the agreement, the supplier shall be deemed to have knowledge of these unless Neotronic is informed to the contrary in writing immediately.

### 4. PRICE.

Unless otherwise agreed by the Buyer, the Sellers' offers and the price quotations shall be binding for at least 90 days following the receipt by the Buyer.

All Order prices shall be fixed, firm and not subject to revision. These prices are inclusive of all taxes (VAT excepted), contributions, insurances and all other costs incurred by the Sellers in performing the Order up to and including Goods' delivery at the final location indicated by the Buyer, of all packing, protecting, lashing materials and of all necessary documents, accessories, devices and/or appropriate tools in view of a complete and functional use and maintenance, and include all payments for the use of any intellectual property right, including those of third parties.

### 5. DELIVERY TERMS.

Delivery shall take place "Free on Board" (fob), in accordance with the version of the Incoterms applicable at the time of ordering, without prejudice to the provisions contained in these Conditions.

The delivery date(s) or delivery period(s) of the agreement shall be firm and binding and shall apply to the entire delivery, including the relevant drawings or other documents pertaining thereto. Should circumstances arise whereby the deadline for an agreed delivery date(s) or period(s) is expected to be exceeded, the supplier shall inform NEOTRONIC hereof without delay.

Delivery times set out in the Order shall be considered as of the essence of the Order. The Buyer is entitled to cancel the order if not performed in the specified time. Buyer reserves its right to refuse partial or early deliveries.

The Sellers shall immediately notify the Buyer (with a confirmation in writing) of any delays and simultaneously provide all information concerning the reason and/or extent of the delay, as well as details relating to the efforts the Sellers intend to make in order to avoid delay in delivery.

### 6. PACKAGING AND DISPATCH.

The supplier shall package the deliveries as economically, safely and carefully as possible and in such a manner that the shipment can be handled during transportation and offloading. The supplier shall ensure that the delivery arrives at the destination in good order. Shipments on pallets shall take place on euro format pallets, or europallets. Packaging materials shall be suitable for reuse or recycling. Special packaging that has to be returned to the supplier shall be marked as such. The packaging, shipping, storage and processing of the delivery must comply with the prevailing legislation and regulations concerning safety the environment and working conditions. If safety information sheets exist for a delivery or the packaging, the supplier must always supply these sheets direct (at the same time). The supplier shall mark the shipment with the NEOTRONIC S.A. order reference number of packages, measures, lot number, as well as with the correct NAW details of the delivery address. The outside of the package shall have a packing list attached with the contents of the shipment listed.

### 7. INVOICING.

Invoices shall be submitted bearing the number of the order, as per the order placed, and itemized stating the item numbers. Duplicates of an invoice shall be identified as such.

### 8. PAYMENT.

Neotronic shall make payment according to payment's terms agreed with the Seller, after acceptance of the delivery and after having been correctly invoiced. In case of previous agreement, payment will be issued at within 90 days after receipt of full products or services and VAT invoice, day 10 of following month. Payment does not imply in any respect whatsoever a waiver of Neotronic's right to performance of the agreement. Neotronic is entitled to set off claimable debts against claimable liabilities with the supplier by means of a setoff note.

Neotronic may request a deposit or bank guarantee at the supplier's own cost before it makes goods available or if partial or total payment in advance takes place.

### 9. WARRANTY.

If within the warranty period the delivery is found to be non-compliant with the stipulations in article 3 of these Conditions, the supplier shall, for its own account and free of charge to the buyer, replace, repair, or re-execute the delivery at Neotronic's discretion when first requested to do so within two weeks, without prejudice to Neotronic's other legal rights. If the supplier continues to default on

its warranty obligations, Neotronic has the right to proceed to replace, repair or re-execute the order at the supplier's expense, with or without help from third parties. If the parties have not agreed a warranty period shall be 24 months after the date of delivery or supply. For goods which are intended to be incorporated in installations or systems the warranty period shall not start until the time the installation or systems are delivered, provided always that the warranty period ends no later than 24 months after the date of delivery of the goods. The warranty period shall be extended by the period during which the supply has not complied with article 3 of these Conditions. A warranty period as described above shall apply afresh to replaced, repaired or re-executed parts of a delivery.

#### **10. CONTRACT VARIATIONS; INCREASE OR DECREASE OF THE SCOPE OF SUPPLY.**

Neotronic is entitled to amend the scope of supply. If the supplier is of the opinion that the amendment has an effect on the agreed price or delivery period, Neotronic shall be informed of this immediately in writing, and in the event of additional work, issue a written quotation with regards to the price and period involved, as well as the effect this additional work will have on the other work to be performed by the supplier. The supplier shall not perform additional work before Neotronic has issued written instructions to that effect. Work the supplier should have or could have anticipated in terms of delivering the service(s) and functionality (ies) as described in this agreement, or which is considered to be the result of an attributable error on the supplier's part, shall not be considered additional work.

#### **11. TRANSFER OF OWNERSHIP AND RISK.**

The risk for the delivery remains with the supplier until the delivery arrives at the agreed place of delivery and has been accepted in writing by Neotronic by a person duly authorized to do so. Title to the delivery shall pass to Neotronic at the moment of delivery. Models, stamps, molds, templates, dies, calibers, drawings and the like procured or manufactured by the supplier in aid of the delivery, shall be deemed to have been made available to the supplier by Neotronic at the moment that these articles are delivered to the supplier or have been manufactured by it. If Neotronic makes items available or is considered to have made items available to the supplier in aid of the delivery, these shall remain or become the property of Neotronic and the supplier shall be obliged to clearly mark these items as Neotronic property and to make a declaration of ownership available if requested to do so. Items created by amalgamation, confusion or otherwise, because Neotronic property at the moment of creation. The supplier shall be deemed to have created the items for Neotronic and shall retain these new items as Neotronic property and make a declaration of ownership available to Neotronic if requested to do so.

#### **12. NON DISCLOSURE AND INFORMATION OBLIGATIONS.**

The supplier shall provide Neotronic with all information pertaining to the delivery insofar as it could be of importance to Neotronic. The supplier shall not reveal confidential information to its own employees not involved with the delivery or to third parties, unless Neotronic has agreed to this in writing beforehand. The supplier shall not be entitled to use the Neotronic name in advertisements and other commercial publications without prior written permission from Neotronic.

#### **13. CODE OF CONDUCT FOR NEOTRONIC SUPPLIERS AND RULES OF CONDUCT FOR CONTRACTORS.**

The supplier must comply with the "Code of Conduct for Neotronic Suppliers" relating to his responsibility for people and the environment. In buildings and on premises belonging to Neotronic, the Neotronic "Rules of Conduct for Contractors" relating to safety, the environment and working conditions shall additionally apply there.

#### **14. EXPORT ADMINISTRATION REGULATIONS.**

For all products to be delivered and services to be provided according to this agreement, supplier shall comply with all applicable export control, customs and foreign trade regulations and shall obtain all necessary export licenses pursuant to the applicable Foreign Trade Regulations. In any case, supplier shall provide buyer for each product and service with:

- The export control classification number.
- All applicable export list number.
- The statistical commodity code according to the current commodity classification for foreign trade statistics.
- The country of origin (non-preferential origin) and supplier's declaration for preferential origin (in case of European suppliers) or preferential certificates (in case of non-European suppliers).

#### **15. LIABILITY.**

The supplier shall be liable for all damages suffered by Neotronic due to any failure attributable to the supplier to comply with the agreement or due to infringement of any other contractual or non-contractual obligation. The supplier's liability in this regard shall be limited to an agreed amount, if this amount is higher, the contract price per event, except in the case of personal injury or damage caused by intent or gross negligence. The supplier shall completely indemnify Neotronic against claims by third parties for damage resulting from the circumstances mentioned above. The supplier shall in this respect fully insure and keep insured his liability under the law and/ or agreement in respect of Neotronic and furthermore shall insure and keep insured all risks in his business operations which can be insured on standard terms. The supplier shall at Neotronic's request immediately provide (a certified copy of) the policies and evidence of payment of the premium. The supplier hereby assigns to Neotronic in advance all claims to payment of insurance proceeds, where these relate to damage for which the supplier is liable toward Neotronic.

#### **16. APPLICABLE LAW, DISPUTES.**

Spanish law shall govern agreements between Neotronic and the supplier. The competent Court of Barcelona shall have sole jurisdiction over disputes between Neotronic and the supplier.

#### **17. TERMINATION.**

Neotronic shall have the right to completely or partially terminate the agreement without further notice of default by means of written notice to that effect without prejudicing its others rights, in the event that:

- the supplier defaults on one or more of the obligations as contained in the agreement;
  - the supplier is declared bankrupt, suspension of payment is requested, its business has been shut down or liquidated, a substantial part of its assets have been attached, or the business has been transferred to a third party;
  - the delivery is rejected after inspection or re-inspection.
- In the event of termination the risk of the items already delivered remains with the supplier. The items shall then be at the supplier's disposal and they are to be collected by the supplier. The supplier shall refund any payments made by Neotronic in terms of the terminated agreement immediately.