

GENERAL TERMS AND CONDITIONS OF SALE OF JESÚS OÑATE Y HNOS S.A. FOR THE SUPPLY OF FASTENING ELEMENTS AND TECHNICAL PARTS OR ACCORDING TO DRAWING SPECIFICATIONS

1) General Considerations

The following general terms and conditions of sale are currently in force and shall apply to any business practice of Jesús Oñate y Hnos S.A., henceforth referred to as the “Supplier”, within the industry of mechanical fastening elements or similar and technical parts or those according to specifications, and in general, to any product manufactured, assembled, purchased and sold by the Supplier. These general terms and conditions are drawn up in accordance with the applicable legislation and shall be construed as the legal basis for any contract signed by the Supplier, except for special orders or agreements, wherein their application is expressly excluded. These terms and conditions shall prevail over all other purchase terms and conditions whatsoever used by the Customer, and are an integral part of the contract between the Supplier and the Customer. Therefore, the following terms and conditions shall govern any contract or order including placed orders that are “open” or “scheduled”.

In any event, these terms and conditions shall be construed as automatically accepted by the Customer upon placing the order. The customer, within their purview is under the obligation to implement all measures and activities that are set forth in this document.

These terms and conditions may be amended only by written agreement between the parties and, therefore, all clauses or terms and conditions contained therein, printed or handwritten, in the orders, letters or other documents issued by the customer shall be deemed null and void.

The amendment by the Supplier of these General Terms and Conditions shall not affect those contracts already executed.

2) Contract’s Area of Application

The contract shall be governed, in addition to the clauses contained therein, by the documents that are listed below and which are attached hereto and made an integral part thereof:

- a) The present General Terms and Conditions of Sale, which shall be construed as applicable irrespective of the Customer’s express written acceptance.
- b) Any expressly specified special condition convened and accepted by both the Supplier as well as the Customer.
- c) All Supplier documents that are attached as annexures to the present General Terms and Conditions of Sale.
- d) Any item, document, research or technical report submitted for any reason whatsoever by the Supplier to the Customer.
- e) The delivery docket.
- f) The invoice.

Printed advertising, direct mailings, sales brochures, samples, catalogues, price lists and any other item that is used or sent by the Supplier to the Customer prior to or during the carrying-out of the supply shall not be considered as a material element of the contract.

3) Orders and execution of the contract

All orders shall be executed by the customer in writing and which shall be sent to the Supplier by fax or e-mail.

The order shall be construed as any document which contains the identifying items of the supply which have been carried out according to quantities, product types and prices.

The order shall be construed as having been turned into a binding contract both in the event of the express acceptance by the Supplier by means of any type of document sent by fax or e-mail, upon first supply acceptance by the Supplier.

Execution of the order shall be construed as when the Product itself is made available to the Customer, as specified in paragraph 7.2.

3.1) Closed order

A closed order shall be construed as those in which the quantities, prices, terms and conditions and delivery deadlines of the product are expressly specified and which have also been specifically accepted by the Supplier.

3.2) Open and “scheduled” (schedules) order

An open order shall be construed as that wherein, the Product type to be supplied and the unit price have been specified and detailed, specifying therein the estimated quantities of the product to be consumed by the Customer within an expressly specified period (weeks / months/ years) which have been convened between the Supplier and the Customer. The quantities and delivery deadlines shall not be construed as binding upon the Supplier.

A “scheduled” order shall be construed as that wherein the Product type and the unit price have been specified and detailed, specifying the minimum and maximum quantities of product to be delivered according to the predetermined schedule.

Each open or scheduled order is to be converted within a timeframe convened in a closed order which must be submitted for the Supplier’s acceptance. This order shall expressly specify the quantities and delivery deadlines of the Products ordered by the Customer.

The Supplier is not under any obligation to warrant the delivery of additional quantities of the Product, or the deadlines of such deliveries which would be very difficult to meet.

The Customer may request to vary the contents of an open or scheduled order provided that the minimum quantities referred to in paragraph 3.4 of this term and condition are met, and the Supplier shall undertake his/her best endeavours to meet the Customer’s requests improving their manufacturing capacity (means, personnel, raw materials etc.), assembly and transport. It shall be understood that in view of the abovementioned responsibilities, the Supplier shall ensure that its supply, manufacturing and product delivery structures are as flexible as possible. In the event of a request for variations in an open or scheduled order, the Supplier is under the obligation to notify the Customer regarding possible price differences: this variation shall be applied either in the event that the express acceptance by the Customer comes into play or it is considered “in force” from the first delivery of the Product after the request for amendment of the order has been accepted by the Supplier.

3.3) Order amendments

Any amendment to the Contract that the Customer may request, including open and/or scheduled orders, must be expressly accepted by the Supplier. In the absence of an express acceptance, it shall be construed as not having been any variations whatsoever in the previously convened contract terms and conditions, on the understanding that in any event these general supply terms and conditions shall be applied.

3.4) Cancellation of a closed order, or reduction in an open or scheduled order below the predetermined minimum quantities.

Not under any circumstances, shall the Customer be entitled to cancel a closed or scheduled order or to reduce the quantities of an open or scheduled order below those amounts that were intended as minimum quantities. In the event that the Customer intends to continue in this regard, he/she shall notify his/her request in writing to the Supplier who in the following 10 days may accept or reject the Customer's request, or charge the Customer those acceptance costs. Depending on the type of contract, the cancellation or reductions of quantities in an open or scheduled order shall be construed as binding either in the event of the Supplier's express acceptance or as soon as the Customer pays the costs specified by the Supplier. Alternatively, the Customer is under the obligation to receive and pay for the Product in accordance with the terms and conditions of the contract or agreement with the predetermined minimum quantities or those convened in the open or scheduled order.

Depending on the type of contract, when determining the cost of cancellation or reduction of the quantities below the predetermined minimum in an open or scheduled order, the Supplier is entitled to include all costs incurred and borne by him/her or which will be incurred with regards to the acquisition of raw materials or otherwise unusable stock, costs related to forging tools and that of special or standard equipment, research and planning, within the limits of the non-amortised portion and in any event, all costs and any direct or indirect consequences whatsoever which have an economic impact on the Supplier. The Supplier is entitled to withhold, including even the partial payment of the amount owed, the monies received from the Customer and paid due to any reason whatsoever (as well as the joint financing of equipment and/or forging tools).

In any event, the Supplier shall make every effort to minimise as far as it is possible the costs which are to be invoiced to the Customer due to those reasons specified in this paragraph.

4) Preliminary and/or additional activities regarding the orders

4.1) Drawings and specifications

Any document, drawing, estimate, technical report, evaluation, offer, analysis, as well as any information or paperwork exchanged for any reason whatsoever between the Customer and the Supplier prior to the execution of a order or during same, shall be considered as delivered only and exclusively for the specific use for which they are intended. This assignment does not entail any conveyance whatsoever of any property and/or right of any class. Therefore, the recipient is not entitled to use same for any other purpose anything that he/she may receive. The Customer and the Supplier shall mutually retain their property rights, including that of intellectual property over all the documentation which is to be exchanged. The Customer and the Supplier are mutually under the obligation to maintain utmost confidentiality and secrecy with regards to the documents, as is set out in paragraph 6 herein, with regards to the existence and contents of the documents to be exchanged. In the event that the use of the material to be exchanged is other



than that which is allowed or foreseen, the injured party is entitled to receive compensation for damages and losses.

4.2) Return of samples

Any sample (“first samples”, “PPAP”- Production Part Approval Process-), prototype, pre-series, pre-finished or semi-finished items, or in any event any manufactured part sent by the Supplier to the Customer is and shall continue to remain the property of the Supplier, and the Customer is authorised to use same only for the purposes specified under the Contract signed with the Supplier. The Customer is under the obligation to ensure the safe custody of that which he/she has received and hereby undertakes to return all items received as soon as the contract is cancelled or within the 15 days after having received the express request by the Supplier. The customer shall treat all items received with utmost secrecy and confidentiality and is not entitled to possess same at his/her free disposal, nor either for direct or indirect purposes, to perform tests with the items received from the Supplier without his/her prior written consent. In the event of a breach of this clause, the Supplier is entitled to suspend and cancel any supply and seek compensation for damages and losses.

4.3) Equipment maintenance (forging tools)

Equipment, forging tools and any other item and material, including those subjected to wear and tear, which are perforce necessary to possess for the manufacture of the Product intended for the Customer, is, unless otherwise specified to the contrary in writing, the exclusive property of the Supplier. The forging tools and manufacturing equipment shall be designed by the Supplier based on his/her own methods and standard working equipment. The Supplier is entitled to invoice the Customer all costs which have been borne by the former in planning, designing and building equipment intended for the manufacture or the optimisation of the manufacturing process, so as to implement useful and effective manufacturing processes intended to maintain the price and quality levels competitive with regards to the manufactured products.

Unless a written document specifies otherwise, the Supplier is entitled to freely use any equipment, forging tool, and in general, any work means, also for manufactured items other than those which are intended for the Customer.

5) Characteristics and status of the product order

5.1) Product end-use

The Supplier hereby undertakes to manufacture the Product in accordance with the technical specifications convened with the Customer. The Product shall also meet current legislation regarding occupational health and safety and the environment. The Customer shall be liable for the use of the Product, which shall be manufactured in accordance with the procedures and processes known to the Supplier. The Supplier shall not be held liable for any unauthorised, inappropriate use or use other than that convened. Upon receipt of the Product notification should be given to the Supplier that it meets the needs and is suitable for the intended use and purpose.

Unless specified beforehand with the Supplier, or known by same, the Product supplied cannot come into contact with food products or be stored in places where materials are housed that may be explosive or are polluting agents, except for stainless steel products manufactured for the food industry.



Unless prior agreement which has been expressly convened and authorised in writing, the product supplied cannot be used in the aeronautics, aerospace or nuclear industries, or other high risk applications and uses.

5.2) Product packaging

The Supplier shall deliver the Product properly packaged in accordance with the current legislation on safety and hygiene. The Customer expressly states that he/she has been advised as to the standard type of packaging normally used by the Supplier and that is deemed as suitable for the former's own transport, warehousing and storage needs. These activities shall be carried out in such a way so as to ensure the proper keeping of the technical and functional characteristics of the supplied Product. The Supplier shall not be held liable for the use of packaging or containers other than those which were supplied, or from the inadequate warehousing or storage of the Product. Finally, the Customer shall be held liable for the proper and full compliance of current legislation concerning the destruction and recycling of packaging used by the Supplier.

The Supplier and the Customer may come to an agreement on the use of returnable packaging as well as returnable containers of the supplied Product. So too, the Customer is ultimately accountable for the proper use and maintenance of this type of packaging.

5.3) Flow of information concerning the Product

The Customer undertakes to furnish its customers with relevant information concerning the technical and operational characteristics of the Product. The Supplier shall ensure the traceability of the manufacture of any batch of the Product until the date of delivery to the Customer.

6) Intellectual property rights and confidentiality clause

6.1) Intellectual property rights and know-how

The Supplier is the sole legal owner of the rights regarding any data, information, blueprints, properties, chemical composition, functional properties and anything else concerning the Product. The legal title of these rights shall continue including even after delivery of the Product. Not under any circumstances shall the execution of the supply contract constitute an assignment of intellectual property rights or use licence of the know-how concerning the Product. The Supplier, as legal owner of the aforementioned rights, reserves the rights to use for his/her own purposes the results of any verification, experiment or test that is conducted with the Product, including even after delivery.

6.2) Confidentiality Clause

The Supplier and the Customer, albeit a natural person or legal entity, and herein, also the partners and/or shareholders of same, as well as any person who is their employee, are bound by the obligation to maintain confidentiality and secrecy and not to disclose or divulge any information or document that both parties mutually may have had knowledge of or had knowledge of in the drawing up of or execution of the contract, which includes, for information purposes but not limited to the following: all information, documentation, data, designs, certificates, techniques, equipment, methods, trade secrets in relation to the know-how which affect the manner of manufacturing products, application of procedures, findings, industrial



inventions or applications, manufacturing, assembly or repair procedures etc, and which have been received either verbally or in writing, via computer files, graphics or any other means, or via the assignment of specific machinery, forging tools or any other manufacturing means.

The recipient of the information, documents or materials referred to in the preceding paragraph shall be held liable for those persons under their responsibility and who are subject to the limitations specified in this clause.

Likewise, both the Supplier as well as the Customer hereby undertake to maintain with the same care all materials which have been mutually exchanged or received, in the same manner as any item which may have been received or exchanged outside their sole and exclusive property, binding the party to return same when thus requested by the other – and which does not affect the execution of the contract- and, in either event, its conclusion or rescission thereof. The Supplier and the Customer shall only allow the access to any information, document or material received from those persons who are part of the execution of the supply process.

Furthermore, the Customer and the Supplier expressly state that they are in agreement as regards to the privacy procedures, as is specified in current legislation.

If necessary, the Customer and Supplier are under the obligation to appoint, advising the name, of a person responsible for the management of the sensitive data which are sent.

The confidentiality and secrecy clause shall not apply in the event of:

- Common knowledge information, or in any case was already known when the contract was signed;
- Information that the parties already possessed before the contract was signed;
- Mandatory disclosure of information, imposed either by a judicial authority or a public authority in general.

The obligations contained in this clause shall be binding on all parties during the term of the contract and, furthermore, for a five year term starting from the termination, on any grounds whatsoever of the trade relations between same.

In the event that either party breaches the duty of confidentiality contained in this clause, said party shall be under the obligation to cease said breach, and restore the situation to its former state of balance and pay the other party compensation of damages and losses, all irrespective of the right to rescind the contract by the non-breaching party.

6.3) Warranty against forgeries

The Supplier shall warrant the ownership or right to use any information, blueprint, document content and process used in the manufacture and supply of the Product. Furthermore, the Supplier warrants the absence of any patent or duty of any kind whatsoever which may bring to a halt the manufacture and sales of the Product.

In the event that the Product is manufactured in accordance with blueprints, specifications or information supplied by the Customer, he/she shall be held liable for any breach, including even in relation to the manufacturing process, of any industrial or non industrial property right which belongs to any third party, and hereby undertakes to exonerate the Supplier from any consequences arising from the availability or use, in any manner whatsoever, that this information may cause directly or indirectly to the Supplier. Finally, the Customer shall be held directly liable, and in either event shall exonerate the Supplier where appropriate, of any direct or indirect damages, as well as any costs, including legal or in relation to legal advice for the



defence including solicitors' and experts' fees appointed by the Supplier, should the latter be forced to incur same in relation to legal proceedings.

7) Delivery, transport, inspection and acceptance of the Product

7.1) Delivery deadlines

The Supplier is under the obligation to meet the delivery deadlines convened with the Customer. Under no circumstances shall the delivery deadline be considered as essential and binding on the proper execution of the order and the Customer hereby expressly waives the right to file any claim for damages and losses whatsoever or to request the rescission of the contract in the event of noncompliance of the delivery deadline of the Product. Unless a fixed delivery deadline date has been specified, being understood that under no circumstances that this date is binding, the delivery deadlines shall commence from the date furtherest apart from among the following:

- Acceptance date by the supplier of the order received from the customer;
- Acceptance date by the Customer of the first samples (PPAP).
- Compliance date by the Customer of all preliminary contractual or legal obligations (for example, import licences, authorisations, etc.).

The Supplier reserves the right to notify the Customer of any variations in the delivery deadlines if the date change is considered particularly important. The Customer may request the Customer to carry out everything within their means so as to switch back the delivery deadlines to normal levels, but is not entitled, in any event, to refuse to receive the Product.

The Supplier reserves the right to suspend *sine die (indefinitely)* the delivery of the Product in the event of a breach of the payment of supplies.

7.2) Delivery conditions (Ex Works, Incoterms 2000)

Unless specified to the contrary in writing, the delivery of the Product shall be Ex Works. From that date henceforth, all risk and liabilities in relation to the Product are transferred to the Customer.

The Supplier shall send in due course a "goods available for delivery" notice. The Customer shall receive the Product on the date and time specified in the "goods available for delivery" notice. Should the goods not be received in accordance with the aforementioned notice, the Customer shall bear any costs, disbursements or expenses which are incurred for any reason whatsoever (warehousing, insurance, handling, storage, use of space etc.). In this instance, the Supplier shall issue an invoice wherein all the amounts claimed or charged are included. The payment of this invoice shall be made in accordance with the provisions set out in paragraph 10.1.

7.3) Transport, customs duty, insurance

Unless specified to the contrary in the order, transport shall always be at the Customer's account and risk. In the event that it were necessary to do so, and under their own responsibility, the Customer may take out insurance for the Product during transport. The current applicable Incoterms conditions regarding the completion of the signing of contracts must be complied with as regards to any trade term whatsoever.

The Supplier reserves the right to accept partial delivery requests of the Product ordered.



Unless convened specifically to the contrary, the Customer shall also bear the customs duties and also carry out all procedures which this gives rise to.

Regardless of the convened delivery terms and conditions, the Supplier is not under any circumstances under the obligation to take out insurance for the Product.

7.4) Quantity Control and types of Product delivered

The Customer shall verify the conformity of the Product with the terms and conditions of the order upon delivery, by means of the former's staff, bearing their own costs and under their own risk and responsibility. Any dispute or reserve in relation to visible defects in the packages or that of the Product itself or differences in quality, weight or quantity as compared to the delivery docket which is attached to the Product shall be immediately recorded in the CMR (Contract for the International Carriage of Goods by Road). A copy of the CMR wherein the reserves or dispute are recorded shall be issued to the Supplier. In the absence of reserves shown in the CMR, the Product shall be deemed as accepted.

7.5) Supply quality level

Unless convened specifically to the contrary at the time of placing the order, the following quality levels measured in "ppm", parts per million will be applied, to the supply of our products according to selection type applied and which is listed below in the following table 1:

Level	Requirement	Product Selection Type	Maximum values in ppm of non-confirming parts of the product supplied
1	Parts with the highest standards of reliability for assembly and use (assembly /automatic feeding)	100% Automatic	50 (*)
2	Parts with special requirements (feeding/ manual/ automatic assembly)	100% Manual	200
3	Parts with normal requirements (feeding/ manual assembly)	Statistical sampling	900

(*) So as to calculate this value we have borne in mind that a selection of this kind offers according to the current state of art of an average detection capacity of 10 ppm, and taking into account that we normally select four to five physical characteristics of the product, gives a result of the aforementioned value of 50 ppm.

7.6) Claims concerning the presence of defects

The Supplier is under the obligation to delivery the Product defect free and in compliance with the order specifications.

As discussed in paragraph 7.4 of this document, the customer, upon receiving the goods, shall verify the product conformity with the order terms and conditions and upon examination of its content, shall not file any claims whatsoever against the vendor alleging damages or defects in the quantity or quality of the goods.



Any dispute or reserve in relation to visible defects of the Product itself or to differences in quality, weight or quality as compared to the delivery docket which is attached to the Product shall be immediately recorded in the CMR in the manner specified in Clause 7.4.

The Customer who has not made any claim whatsoever based on internal product defects, within thirty days following its delivery, shall forfeit all rights of action and recovery on these grounds against the Supplier.

If thus requested by the Supplier, the Customer shall reissue, under his/her risk and responsibility, the Product the subject of the claim. The Supplier shall repair the product, without said decision entailing admission, express or implied, of any liability whatsoever, and return same to the Customer. In this case, the Supplier shall bear the associated transport costs. In the event that the Supplier does not find any presence whatsoever of the alleged damages or defects, he/she shall request the Customer to visit the former's company so as to jointly inspect the results of the verifications and then subsequently send back the Product once again to the Customer at his/her own risk and responsibility thereof.

In any event, the Supplier may decide to replace the product the subject of the claim and send once again the replaced product to the customer without such decision implying any admission, express or implied, of liability whatsoever.

Not under any circumstances, unless the Supplier decides to replace in its entirety the Product, shall the Customer be entitled to suspend payment of the Product the subject of the claims.

For any reason whatsoever shall the Customer be authorised to automatically undertake, or leave any third party to do so, any reworking or intervention in the Product. In this case, the Product shall cease to be under warranty and the Supplier shall not be held liable.

Should the Customer, with the existence of visible defects or damages in the Product, decide not to notify the Supplier and instead chooses to use or sell same, he/she shall forfeit any right of replacement, repair or warranty.

Any claim or dispute concerning a single delivery of the Product shall not exempt the Customer from its obligations to receive and pay the remaining quantities of goods within the limits specified by the order or undertaking.

7.7) Acceptance

From the moment of the delivery of the goods or, where appropriate, after the four day time limit and in the absence of any claims whatsoever, the Product supplied shall be deemed as definitely accepted. Not under any circumstances shall the Supplier be under any obligation to replace the Product supplied after acceptance by the Customer.

8) Contingency and force majeure clause

The Supplier may suspend its supply obligations and any other contractual undertaking with the Customer due to causes beyond his/her reasonable control that is, unforeseeable circumstances of Force Majeure or Losses Caused by Acts of God, without it constituting a breach of the contract, and the deadline for the compliance of the obligation shall be extended accordingly by the entire duration and extent that the event of force majeure entails. In the event that the Supplier avails himself/herself of this right, he/she shall immediately notify the Customer in writing explaining the causes of these unforeseen circumstances and shall specify, if possible, the expected duration of the suspension of its contractual obligations.

Likewise the Supplier hereby undertakes to notify in writing the Customer of the termination of the circumstances of Force Majeure and to specify the date of the first deliveries of the Product. The Customer is under the obligation to accept these deliveries.

Should the Force Majeure in question extend over a continuous period which exceeds 120 days, the parties shall hold bona fide negotiations in order to alleviate its effects, or to convene alternative arrangements that are deemed reasonable. In either event, the Customer shall receive and pay all Product quantities that the Supplier has in stock, the cost of the semi-finished products and special raw materials which cannot be used otherwise in any other manner.

Without prejudice to the generality of the foregoing, the following shall be regarded as causes beyond the Supplier's reasonable control that is, considered as Force Majeure events, although the list is for merely for information purposes and is not binding:

- Loss Caused by Acts of God (earthquakes, fires, floods, storms etc.).
- Wars, bombings, terrorist attacks.
- Industrial disputes, sit-ins, lock-outs, general, industry or plant strikes.
- Industrial disputes, general or industry strikes, sit-ins or lock-outs which involve suppliers, transport carriers, service providers, freight forwarders, post offices, public offices in general, or in any other circumstances those that participate in the manufacturing process of the Supplier.
- Ordinances from judicial and governmental authorities or public authorities in general.
- Import prohibitions, economic blockages, manufacturing shutdowns ordered by sanitary authorities or, in general, the public administration.
- Industrial damages, seizures, machinery breakdown, explosions, lack of electricity supply and other any cause which may limit or prevent manufacturing.

9) Definition of price

Product prices that are supplied under this contract shall be convened in writing between the parties and are specified as such immediately upon acceptance of the order by the Supplier. Unless convened specifically to the contrary, the sale prices are considered net sales prices, net of taxes and any other expenses, and in any event, shall be "ex-works price". The Supplier shall invoice the Product based on his/her own rules or in accordance with contractual agreements entered into with the Customer. Unless otherwise convened by the parties, the sale prices shall always be shown in Euros.

10) Payments

10.1) Payment terms

Invoices shall be paid under the terms and conditions convened with each Customer. The Supplier is not under any obligation to grant any discount whatsoever for early payment of the Product.

10.2) Late Payment

On the understanding that and as specified in paragraph 1, in the event of late payment of the Product, in whole or in part, within the terms and conditions specified in paragraph 10.1, the Supplier may opt to rescind the contract or continue same.



In both cases the Supplier shall be entitled to charge interests until the actual date of payment.

In the event that the compliance option is chosen, the Supplier, in addition, to being entitled to cancel or suspend any further deliveries of the product that should be made to the Customer under any order, and/or refuse any request for subsequent deliveries, and/or issue an invoice for interests, based on the terms and conditions contained in this paragraph, and shall forward same to the customer. The invoice shall also include the costs incurred by the Supplier in this regard. The customer shall immediately settle this invoice as soon as it is received. In the event that an invoice is issued for late payment interests, the Supplier shall be entitled charge any following payment made by the Customer to the settlement of the invoice issued for interests and costs and earmarking to the remaining amount, if any, to the payment of the product supplied. In the event of reiterated and serious payment breaches by the Customer, the Supplier shall be entitled to demand advance payment of the supply of the Product with a surcharge to be determined by the supplier in order to reduce the risk and gradually recover the debt.

In the event that the supplier opts to rescind the contract, the Customer shall still be under the obligation to pay the unpaid invoice together with accrued interests until its actual settlement and the subsequent damages and losses caused.

10.3) Credit or Balances in favour of the Customer

Not under any causes or grounds whatsoever, shall the Customer be authorised, without the consent of the Supplier, to issue credit notes or invoices for payment claims, or in any event to charge to the debit of an account of the Supplier, amounts wherein the Supplier cannot be held and be considered as expressly liable as debtor and with said consent being specified as such in writing. Accordingly, in the absence of a written authorisation, the Customer shall not be entitled to offset or withhold any amount due to the Supplier, in this case, the Supplier shall be entitled to charge interests due to non-payment or late payment, as specified in paragraph 10.2.

In the event of payments pending in favour of the Customer, the Supplier shall be entitled to offset these amounts with the amounts due in relation to deliveries carried out or which are to be intended to be carried out.

10.4) Payment guarantee for sub-contractors

Assuming the existence of specific legislation in this regard, the Supplier and the Customer hereby undertake to reach an agreement with respect to the option of payments and direct liabilities with sub-contractors. Not under any circumstances shall the Customer be entitled to enter into direct agreements with the sub-contractors of the Supplier, thus excluding this matter from these general sales terms and conditions.

10.5) Safeguarding property rights

The Product is supplied subject to the “Retention of title” clause, that is, meaning a reference to the retention of title in favour or the supplier, and therefore, the Product shall remain the property of the Supplier until complete payment of any debt whatsoever is made. The customer shall take the necessary measures to protect and safeguard this right, and shall be held liable for any consequences whatsoever which may affect the Product. The Retention of Title does not imply the derogation of the provisions contained in paragraphs 7.2 and 7.3 concerning the transfer of risk and the liability as regards to the transport and storage of the Product. Until the period between the delivery and payment in its entirety of any debt is made the customer shall possess the product as bailee of the Supplier, and therefore, the Customer is under the obligation to take all necessary measures in order not to mix the Supplier’s Product with other similar products supplied by different suppliers, and shall keep the Product in specially defined and



identifiable areas, being held liable for damages and losses that befall on the goods, including even unforeseeable circumstances..

The Customer is under the obligation to duly record any course of action as bailee regarding the goods that are in his/her possession and, notwithstanding, were seized under a judicial or administrative resolution, this fact shall be notified to the Supplier within the forty eight hours following the occurrence of such an event.

Similarly, in the event that due to for any reason whatsoever, for example, theft, the Customer was deprived of the property the subject of this contract, this fact should be notified immediately to the supplier so as to take measures that are considered appropriate therein, so that the Customer is exempted from his/her obligation to pay the price of the goods supplied in their entirety.

In the event that the Customer does not make payment of the price of the goods, the supplier, notwithstanding the actions that he/she may be entitled to, may visit and access the premises of the former and repossess the goods by his/her own means without the need of a prior judicial decision, or any authority, being authorised to do so by the customer from that moment henceforth.

The disposal or execution of any other disposal regarding the goods both in terms which payment has not been effectively verified shall require the prior and written authorisation of the supplier.

11) Liabilities

11.1) Definition of the Supplier's liabilities

The Supplier shall be held only liable for its own activities and the correct manufacture of the Product supplied, which shall have the specifications specified in the order. No other liability is within the purview of the Supplier.

Furthermore, the Supplier shall organise and perform the manufacturing processes in accordance with all current legislation in this area.

The Supplier shall not be held liable for Product defects, should these defects be conditional on:

- Materials supplied by the Customer or by a third party on behalf of the Customer;
- Planning or design errors, should these activities be carried out by the Customer or by a third party on behalf of the Customer;
- Use of machinery or equipment specified or delivered by the Customer or by a third party on behalf of the Customer;
- Treatments or handling carried out without the consent of the Supplier;
- Manufacturing errors, if the manufacturing process have been specified and validated by the Customer;
- Different use, unauthorised, anomalous, unusual or specific to the Product;
- Product defects depending on its storage, transport, maintenance or handling;
- Normal wear and tear of the Product or Product deterioration depending on events attributable to the Customer or a third party;
- Noncompliance of the recommendations, requirements or suggestions of the Supplier with regards to the maintenance, conservation and use of the Product.

11.2) Liability limitations and exclusions

The Supplier's liability shall be limited only to direct damages caused to items, personnel or employees of the Customer and conditional on the damages or defects which may be attributed to the Supplier and which are recognised by him/her. Any liability which makes reference to indirect damages, loss of reputation, lost profits, loss of earnings, operating deficit, machinery and chain shutdowns, or in any event as an indirect result of Product defects which are expressly excluded.

Similarly, the Supplier shall not be held liable for any direct or indirect damages sustained by the Customer depending on the use of the technical documents, information, product data, technical or operational information concerning specifications etc. should this use not be specifically authorised beforehand in writing by the Supplier. Under no circumstances shall the Supplier be held liable for the non-performance of the Product supplied.

Unless otherwise expressly specified to the contrary in writing, any liability of the Supplier is hereby excluded for the following:

- Damages arising from products specifically intended for the aeronautics and aerospace industries which are necessary or completely related to the flight of aircraft or spacecraft (taxiing, take off, aerial navigation,, landing);
- Damages arising in connection with the transformation of the atom or conversion of energy, caused either naturally or artificially (fission and nuclear fusion, radioactive isotopes, grinding machines etc.)
- Damages of any kind and determined by whatsoever grounds, as a result of air pollution, contamination, pollution, infiltration, contamination of water and land crops, interruptions, depletion or deviation of springs or water streams, alteration or depletion of ground waters, mineral deposits and generally everything that is subterranean and likely to be subject to exploitation.

11.3) Insurance Limits

Whether before the signing of the supply contract, before placing an order or either before carrying out the first delivery, the Supplier may send the customer a copy of the terms and conditions of the Insurance Policy in force in relation to Public Liability and Product Liability, clearly specifying the limitations which the Supplier is insured against.

Any assumption of liability of the Supplier, if applicable, shall be limited in any case, in the event of compensation, to the maximum coverage and the assumptions included in the Public Liability Insurance Policy and by the product that, regardless of the copy sent by the Supplier, are considered as expressly known and accepted by the Customer upon the placement of the order or the first delivery. At his/her own risk and responsibility, the Supplier shall maintain in force these policies, pay the premiums due and advise the Customer as appropriate, if thus requested. The customer expressly states that he/she has noted both the contents of the Policy signed by the Supplier as well as the insurance limitations, and expressly, accepts the liability limitations set forth therein, whether in which it makes reference to type or maximum coverage insured. Whereas the Customer has waived any other event of the aforementioned requests or actions, he/she shall not be entitled to request, for any reason or grounds whatsoever, additional amounts from the Supplier.

At his/her own risk and responsibility, the Customer shall advise potential third party users of the Product supplied or the manufactured products which include the Product supplied, regarding the existing liability limitations, and hereby undertakes, in either event, to exempt the Supplier from any likely lawsuit that may be filed, given that this conditions has been addressed in the convened contract clauses (price, payment).

The Customer may request from the Supplier certain insurance special limitations or asides. In which case, the Supplier shall use their best endeavours to meet the needs of the Customer and shall advise the former of the additional costs incurred due to that variation. After receipt of that information, the Customer shall immediately pay the amount requested. Non-payment shall mean that the variation request to the terms and conditions of the insurance policy shall be deemed as cancelled and the original insurance policy shall be therefore deemed as both accepted with all the consequences that are specified in that clause.

12) Jurisdiction

Product supply and any consequence arising from the execution of the contract or, in any case, any event in connection to or prior to the execution of the contract and/or order, provided always and in either event must be subject to Spanish Jurisdiction and applicable Spanish legislation, excluding any validity or enforceability of any other jurisdiction or foreign legislation.

13) Court having jurisdiction or forum conveniens for disputes

With regards to the interpretation and enforcement of the obligations under the present contract, the parties expressly waive any other jurisdiction to which they are entitled to, and hereby convene to submit to the jurisdiction of the Courts and Tribunals of the registered office of the supplier.

14) Communications

Any communication or additional information that must be or should be notified under the contract by either party to the other may be sent by certified mail, e-mail, facsimile transmission or by similar communications media, provided always that its receipt is recorded, at the addresses that at every instant are specified in the order.

The present agreement has been drafted in English and is a technical English translation of the original Spanish document, “ Condiciones Generales de Venta de Jesús Oñate y Hnos S.A.”, which is published in our web site as well, and this text shall be binding and shall constitute proof of conformity between the Parties, including even if a copy is drafted in a different language and/or signed by the Parties.

In Durango, on 7 February, 2009