

GENERAL CONDITIONS OF PURCHASE

1. SCOPE OF APPLICATION

- 1.1. These general conditions will apply to all orders for goods or services placed by Nicolás Correa, S.A. (hereinafter "NC"), unless otherwise agreed, in which case, validity of the agreement will be subject to it being expressly stated in writing.
- 1.2. These general conditions will be considered accepted by the supplier at the time of their express or tacit agreement to the Purchase Order issued by NC, in which reference will be made to these general conditions by attaching them, the supplier declaring that they know and accept them as the only contractual conditions applicable to their relationship with NC.
- 1.3. The conditions of sale, entered in offers, contracts, delivery notes, invoices, etc. submitted by the supplier will not be applicable until NC expresses its approval, conformity and acceptance expressly and in writing. The acceptance, and even the payment, of supplier supplies or services are not tantamount to the acceptance of their conditions of sale in any case.
- 1.4. These general conditions of purchase may be completed with a specific Framework Agreement for each product or service.
- 1.5. These general conditions of purchase may only be modified by prior written agreement between NC and the supplier, all of which will always and in any case be approved in writing by the NC purchasing department.
- 1.6. In everything not expressly agreed in the contract, and in that not provided in the provisions of these general conditions of purchase, both parties, in the case of international sales, submit to the Vienna Convention of 11 April 1980 on international goods sale contracts, and, in the case of domestic sales, to the Commercial Code, Civil Code and concordant regulations.
- 1.7. The applicable law will be Spanish.

2. ORDERS

- 2.1. Any order placed by NC, even if there is a contract, must be supported by a standard NC Purchase Order with its order number. An order with a supplier without an NC Purchase Order to support it will not be considered a firm order.
- 2.2. The order will be considered accepted by the supplier when it so declares by sending a duplicate of the Purchase Order duly signed within 5 days.
Likewise, the order will be understood tacitly accepted if a period of 5 days from the date of sending of the order should elapse without the supplier rejecting it.
Before receiving the duplicate of the signed Purchase Order, NC may cancel the order by notice to the supplier with immediate effect, without prior requirement or any special formality and without generating any right to compensation for damages of any kind.
- 2.3. NC reserves the right to modify the Purchase Orders, deliveries or technical specifications that are promoted by its customers, sufficiently in advance.
Likewise, NC reserves the right to cancel the Purchase Order in the event of breach of any of the particular or general conditions established therein, without giving rise to any claim by the supplier, which must return the amounts paid by NC plus all expenses incurred.

3. SUPPLY

- 3.1. Any delivery of merchandise is understood to be made in the NC materials unloading and reception area, always travelling under the supplier's responsibility.
- 3.2. Deliveries must be made in quantity, term and form as stated in the Purchase Order together with the corresponding delivery note, in which the following will be clearly specified: supplier number assigned by NC, Purchase Order number (Manufacturing Order if any), line, NC material identification code and supplier, description of the NC article and supplier, quantity, individual value of each

reference, individual and total prices, date of shipment of the merchandise to NC, serial number of the merchandise, if any, number of packages, net and gross weight of the products delivered, as well as certificates of conformity, measurement, documentation, etc., as appropriate.

- 3.3. The shipping conditions will be INCOTERMS 2010 DDP (Delivery Duty Paid) Nicolás Correa - Burgos in force, to the NC warehouses, unless other conditions are expressly agreed.
- 3.4. The materials and equipment supplied will have an unequivocal identification appropriate to their nature and their intended use.
- 3.5. The materials and equipment supplied will have appropriate packaging for transport, preservation and storage, and tools to guarantee their safe transport and the handling means, if necessary. Damages caused by packaging defects or inadequate protection of the product, as well as those caused by improper handling planning, will be attributable to the supplier, which will assume all costs arising from their repair and replacement.
- 3.6. After unloading, the product will be understood to be provisionally accepted by NC, subject to subsequent quantitative and qualitative control, reserving the right to return or reject the goods at the time of inspection, use or when it is detected that they are inappropriate or do not correspond to that indicated in the offer and order placed, or suffer from hidden defects.
- 3.7. The absence of challenge and/or reservations by NC in the delivery and/or payment of the products cannot be considered as definitive acceptance of the merchandise delivered or compliance with it, nor as an agreement on the amount invoiced, and in no case will presuppose NC's waiving of any subsequent challenge.
- 3.8. The provisions of articles 38 and 39 of the Vienna Convention on the International Sale of Goods of 11 April 1980 (CIVM) are excluded, as well as the terms established in the Commercial Code for the examination and reporting of any disconformities or deficiencies in the merchandise.
- 3.9. All equipment supplied (including but not limited to hydraulic, pneumatic, greasing, refrigeration, filtering, chip removal equipment, pressure accumulators, heads, electro-spindle, turntables, tool stores) will have CE marking (save express request in the Purchase Order), and will have to be accompanied by their declaration of conformity with directive 2006/42/EC (transposed to the Spanish legal system by Royal Decree 1644/2008 of 10 October, which establishes the standards for the marketing and commissioning of machines) and European standards (EN) that apply to it. According to these legal provisions, all equipment will be supplied with the necessary documentation, such as applicable test certificates (safety, chemical safety data sheets, operation, geometric checks, etc.), commissioning and maintenance procedures, assembly plans, materials lists, operation and maintenance manuals, diagrams, etc.; all in Spanish, English and a third language to be determined based on the final destination of the supplied equipment. In the particular cases of suppliers of raw material, heat treatments or surface coatings, the merchandise must be accompanied by the corresponding material certificates, as well as the documentation of the tests carried out by the supplier that guarantee the quality requirements of the product.

4. PRICES

- 4.1. The prices of the products or services that are the object of the order will be those agreed and consigned in the Purchase Order, which are considered fixed and not susceptible to modification during the course of their manufacture, and are understood for the merchandise delivered with all rights paid (INCOTERMS 2010 DDP Nicolás Correa - Burgos) at the agreed place of delivery. No price modification will be accepted once the order has been placed, without prior authorisation and written agreement from NC.
- 4.2. The price remunerates the supplier of all expenses, disbursements, charges, restraints and/or obligations of any kind, and will be global,

GENERAL CONDITIONS OF PURCHASE

complete, without VAT, firm and final.

- 4.3. The price must take into account all the circumstances and particularities of the order and, unless otherwise specified in the Purchase Order, includes expenses, packaging, presentation, cargo, shoring, stowage, shipping, packaging, insurance, taxes, charges, levies, fees and taxes now and in the future, except for the value added or similar tax.

5. DELIVERY TIME

- 5.1. The merchandise purchased must be made available in the NC warehouses in accordance with the delivery deadlines agreed in the Purchase Order, without them being extended or unilaterally modified by the supplier.
- 5.2. If there are difficulties in the manufacture or in the collection of materials, or circumstances that could hinder supply within the agreed time and quality, the supplier must immediately report said impediments to the NC department that has sent the Purchase Order.
- 5.3. In the event of non-compliance of the agreed conditions by the supplier, for their own cause and even for reasons beyond their control, NC is authorised to modify the total amount and the terms originally agreed upon at its convenience or to consider the Purchase Order cancelled.
- 5.4. Regardless of the acceptance or rejection of a delayed product or service, NC reserves its right to claim the corresponding compensation for damages against the supplier that has breached the agreed delivery period. In both cases the resulting compensation will mean 2% of the value of the material not delivered for each day of delay, to which all the expenses, costs, penalties and/or damages derived directly or indirectly from the non-compliance by the supplier must be added.

6. RECEPTION

- 6.1. The reception of the material will be understood as provisional and subject to the subsequent express acceptance of the NC Quality Inspection Department, which will verify compliance with the specified quality requirements, plans, verification guidelines and technical specifications of supply that are part of the contract or Purchase Order, as well as the standard quality standards applicable in each case. Consequently, the reception of the materials at the NC facilities does not imply acceptance as conforming to the Purchase Order.
- 6.2. Partial supplies or quantities other than the Purchase Order are not allowed, or deliveries before or after the agreed date, unless expressly authorised by NC.

7. BILLING

- 7.1. Orders may not be billed at prices higher than those stipulated in the purchase order without prior notification and express and written acceptance by NC.
- 7.2. For monthly billing, only material receipts made until 15:00 hours on the 28th of each month will be accepted. All receptions thereafter must be billed in the following month.
- 7.3. A maximum of two monthly invoices will be sent, one for supplies made until the 15th and the other with those delivered up to day 28. NC must have received any invoice at the latest by the 5th of the month following its date of issue. Invoices received later will be deferred in payment by 30 days. All payments will be made according to the conditions indicated in the contractual documentation (contract, purchase order or accepted quote, together with these general conditions).
- 7.4. The payment terms will be agreed between NC and the supplier, the payment day occurring in any case after it falls due on the last day of each month.
- 7.5. In the event of hidden defects not detected in a first inspection, NC reserves the right to compensate or withhold payments in the appropriate amount until their complete solution, as well as the right to exercise all legal actions that might correspond to claim for

damages.

- 7.6. The invoice must be pursuant to the legal requirements established by the current billing regulations. By way of example but without limitation it must include the invoice number, the Purchase Order number, line and delivery note number, code and description of the product and/or service, quantity, unit price and total amount without tax, the tax rate or rates, if applicable, applied to the operations, the tax quota, date of issue of the invoice and the date on which the operations were carried out provided that it is a date other than the date of issue of the invoice, company name, registered address and tax identification number of the supplier and of NC, due date and bank account number. Invoices that do not meet the indicated requirements will be returned to the supplier, the due date counting from the acceptance of the new invoice.

8. CHECKING AT ORIGIN

- 8.1. NC reserves the right to perform as many verifications at source and audits as it deems appropriate, both on its own initiative and accompanied by its client. NC authorised persons will therefore have free access to the quality system, manufacturing process, products, inventories, tools, packaging, etc. at all times in the supplier and/or subcontractor(s) plant where the contracted materials and/or equipment are being manufactured, stored or in process, for which they will facilitate access to their facilities. If supplier breaches are detected, the supplier undertakes to correct them within the period stipulated by NC. Said inspection shall be carried out in a manner that does not unreasonably delay deliveries and/or work of the supplier.
- 8.2. The verification by NC or its representatives does not release the supplier from any responsibility regarding any defect appearing in the goods before or after delivery.

9. QUALITY

- 9.1. The supplier guarantees that the supply is fully owned by it, that it meets the specifications and requirements established in the Purchase Order, is appropriate to the intended use, top quality and first use, free of visible and hidden defects in design, materials, manufacturing, assembly and any other issue.
- 9.2. Material that is totally or partially unaccepted by the NC Quality Inspection Department, either in the reception of materials, during the manufacturing or assembly process or in its subsequent application, may be returned to the supplier carriage due, the supplier being responsible for all expenses that might be incurred as a result of the quality deficiencies found. These deliveries will not be considered for any purpose.
- 9.3. In these cases, NC may:
- Reject the material, offering its return and demanding that it be replaced in the same quantity, quality and term agreed in the purchase order, and will be able to claim all damages that might occur;
 - Reject the material, offering its return without requiring that it be replaced, cancelling the order and being able to claim for both the return of the amount paid as well as the damages and losses that may occur, or;
 - Reject the material and recover it, the supplier being responsible for the quantities necessary to do this, and NC being able to claim for all damages that may take place.
- 9.4. If NC reports its non-conformity, it must be answered by the supplier within a maximum period of five (5) days from receipt. However, and if the production needs so require, NC will carry out the necessary recovery work to correct the defects found and the supplier will be responsible for the expenses that NC may have incurred in connection with these operations, in addition to the damages caused.

10. GUARANTEE

- 10.1. The supplier will grant a guarantee of 24 months from its commissioning for the end customer against all kinds of defects in

GENERAL CONDITIONS OF PURCHASE

- design, materials, manufacture, assembly, operation, etc. unless this guarantee is modified by mutual accord by the special conditions of the Purchase Order, agreeing to repair or replace all damaged, defective or incomplete parts, at the option of NC.
- 10.2. The cost of the replacement or repair and all expenses arising from this will be borne by the supplier, even when they must be carried out outside the supplier's or NC's premises. If, due to the existence of defects or faults in the material and/or service provided, it is necessary to make a total check that exceeds the usual size of a check on goods reception, the expenses of said check will be borne by the supplier.
- 10.3. All adjustments, work, repairs or replacements must be made within the period indicated by NC, in the way that is least harmful to it. In the event of urgency, if the supplier does not correct these defects, NC will immediately be empowered to perform these works on its own or to entrust them to third parties, once the supplier has been informed, provided that the circumstances allow it without loss of guarantee. All expenses will be borne by the supplier.
- 10.4. The supplier also guarantees that the products, goods and services are duly approved and comply with all applicable regulations in force and, in particular, with all those related to safety and environment, and that it has all patents, licences and other industrial/intellectual property rights necessary to undertake that which is the subject of the order, and that it is consequently obliged to indemnify, defend and keep NC harmless against any complaint, claim, expense, responsibility, sanction, loss, cost and damage, including lawyers' fees that it might incur in relation to the products, goods and/or equipment supplied.
- 10.5. If the supplier does not repair the defects in the terms indicated by NC and without prejudice to the right of NC both to void the Purchase Order and to claim the corresponding damages, NC reserves the right to meet and/or have a third party meet the obligations owed by the supplier under the contractual guarantee.
- 11. SAFETY AND ENVIRONMENT**
- 11.1. The supplier is obliged to comply with the provisions of the General and Regional Regulations on Occupational Risks and the Environment. Also, if the supplier has to provide its services at the NC facilities, it is obliged, prior to the start of its activity, to complete and sign the document related to security standards for NC external companies and all complementary documentation that might be applicable.
- 12. INDUSTRIAL PROPERTY-CONFIDENTIALITY**
- 12.1. The supplier undertakes to maintain maximum confidentiality and secrecy on all information to which it might have access by virtue of its relationship with NC, whether revealed by word, in writing or by any tangible or intangible means or support, currently known or which might be invented in the future.
- 12.2. In relation to the information and documentation provided by NC, the supplier undertakes to safeguard and protect it against theft, damage, loss and unauthorised access. In case of non-fulfilment, NC will be entitled to exercise all appropriate legal actions against the supplier in this regard.
- 12.3. When NC provides information of any nature to the supplier for the correct delivery of products or services, it must be used exclusively for this purpose, its reproduction, dissemination and use for purposes other than those entrusted being forbidden, and the supplier undertakes not to keep any copy of the information provided by NC after the termination of the contractual relationship.
- 12.4. The supplier is responsible for ensuring that this confidentiality clause is fully complied with by all employees who can obtain useful knowledge by virtue of their relationship with NC and the nature of their duties.
- 12.5. The supplier undertakes not to exploit trade and industrial secrets or information of any kind in its possession by virtue of the relationship with NC for its own benefit, and shall not transmit or communicate information to third parties in any way. The technical specifications, drawings, integration of commercial elements, etc. belong to the NC Know-How and in no case may be used by the supplier for marketing to third parties for its own benefit.
- 12.6. This confidentiality clause applies to past and present and future studies, projects, offers and orders of which both parties are aware. In case of doubt, the clause will remain effective until said knowledge becomes of public domain. The confidentiality obligations established herein will be of indefinite duration, and shall remain in force after the termination of the contractual relationship between NC and the supplier.
- 12.7. The results of all kinds of services (especially the studies or designs of prototypes, products, tools or specific equipment) derived from the completion of the order and worthy of protection or not due to intellectual or industrial property rights are the exclusive property of NC, and the supplier is obliged to supply them.
- 12.8. The supplier transfers to NC all the economic rights related to the results of these services and especially the rights of representation, reproduction -in any form and manner and on any present or future support- exploitation, dissemination, commercialisation, translation, modification, incorporation, merger, use and adaptation of these results, for the exploitation of these rights throughout their validity, throughout the world and without limitation of extent or destination.
- 12.9. The distribution and sale of products manufactured according to technical specifications, drawings, integration of commercial elements, etc. belong to NC Know-How can only be carried out in favour of NC. Notwithstanding the foregoing, the supplier may sell said product to a third party other than NC, provided that the latter expressly authorises it in writing, and under the following conditions:
- The supplier must request it in writing from NC; said authorisation will state the number of items sold, price, payment conditions, identity of the buyer, as well as the identification of the machine tool where they will be installed.
 - Once NC receives the request indicated in the previous paragraph, it will have a period of three business days to respond (all silence will be negative, with the authorisation of sale refused). Therefore, the authorisation will necessarily be made expressly and in writing. Once the authorisation has been granted, it will be valid for a period of one month, if the same has elapsed without the purchase and sale (physical delivery of the parts), the authorisation will have expired and the supplier must request new authorisation.
 - The authorisation will be granted exclusively for the requested operation, new authorisation being required for each operation (although they be the same conditions and buyer).
- 12.10. In the event of breach of any of the sections of this clause, an economic penalty of five times the value of the amount invoiced by the supplier to NC will be applied in the year in which more turnover has been received from it, in addition to all damages that may have been caused both in the area of emerging damage and in the loss of profit.
- 13. PRIVILEGED INFORMATION**
- 13.1. Given that NC is a company listed in Spain, the supplier acknowledges that all or part of the information related to the order, and even the negotiations on it, may constitute confidential and/or privileged or relevant information, that is, information that has not been made public and that, if made public, could appreciably or reasonably influence or have influenced the price of NC in an organised market or contracting system, as defined in article 226 and following of Royal Legislative Decree 4/2015 of 23 October, which approves the Revised Securities Market Act ("LMV"), with respect to which the supplier, on its own account and through its own employees and collaborators or

GENERAL CONDITIONS OF PURCHASE

external advisers is obliged to act accordingly by taking responsibility under the terms established in the applicable legislation.

13.2. Anyone with privileged information must refrain from any of the following behaviours on their own account or that of another, directly or indirectly, by way of example, but without limitation:

- a) Preparing or carrying out any type of transaction on the marketable securities or on the financial instruments held underlying the marketable securities to which the information refers.
- b) Passing said information on to third parties, except in the normal exercise and by reason of their work, profession or position.
- c) Recommending that a third party acquires or assigns negotiable securities or financial instruments or having another acquire or assign them based on such information.

13.3. All people or entities that possess privileged information will take appropriate measures to prevent such information from being subject to abusive or unfair use and, where appropriate, will immediately take the necessary measures to correct all consequences that may have been derived from it.

14. CODE OF CONDUCT

14.1. The supplier is obliged to comply with the legal provisions applicable to dealing with workers, the protection of the environment and safety at work, and to take the necessary measures to reduce the harmful effects on people and the environment in its activities. The supplier will respect the principles of the United Nations Global Compact Initiative, www.unglobalcompact.org, which essentially concern the protection of international human rights, the right to collective bargaining, the elimination of forced labour and child labour, the elimination of discrimination in contracting and employment, environmental responsibility and the avoidance of corruption.

15. FORCE MAJEURE

15.1. NC may suspend the receipt and payment of the goods ordered from the supplier in the event of flooding, fire or other loss at the place where the delivery is due, as well as in the case of collective conflict or other similar or force majeure cases. The stipulated delivery times will be extended for a period equivalent to the time lost due to force majeure. If a force majeure event persists after the delivery deadlines have been put back for this reason by more than 60 days, NC may choose between continuing or terminating the contract.

16. DATA PROTECTION

16.1 The personal data of representatives or contact persons of the supplier will be treated by NC only and exclusively in the development, fulfilment and control of the contractual relationship. The basis that legitimises the treatment is the contractual relationship and fulfilment of the legal obligations associated with it.

These data will be kept as long as the contractual relationship is maintained and as long as the possible responsibilities of NC do not expire.

NC will not pass on these data, unless there is a legal obligation to do so. However, it is possible that it might have the support of external consultants and auditors who, for the provision of the services contracted by them, may have access to such data. It is also possible that technology providers contracted for the maintenance of the software and hardware in which the data are housed, some of which may be located in countries that do not offer an adequate level of protection, might be able to access them. The corresponding contracts have been signed with all these suppliers with the guarantees required by the data protection regulations. If the parties concerned want more information about it, they can find it at datos@correa.es.

16.2 The owners of the data have the right to request access to them, their rectification or deletion, or the limitation of their processing; or to oppose the processing, as well as the right to data portability. To exercise such rights they must send a written communication, accompanied by a copy of their ID or equivalent document, addressed

to NICOLÁS CORREA C/ Alcalde Martín Cobos, 16 A - 09007 Burgos (Spain) or to datos@correa.es. The owners of the data will also have the right to file a claim with the Spanish Data Protection Agency (www.aepd.es).

17. RESOLUTION

17.1. In addition to the general causes of termination of the contracts for breach of the obligations arising from the contract and, where appropriate, due to hidden defects or faults in the product or service provided, NC may temporarily and/or totally or partially cancel the Purchase Order at no cost and immediately if:

- a) The supplier enters into a situation of insolvency or pre-insolvency in whatever form, or has to liquidate goods or generally transfer them to the benefit of its creditors.
- b) The supplier breaches any of the provisions of the order or of these General Conditions of Purchase.

17.2. In both cases, NC will maintain its rights over the annulled part and may demand consequential damages.

18. JURISDICTION

18.1 The parties will endeavour to amicably resolve all the questions related to the interpretation and fulfilment of these General Conditions of Purchase.

18.2 If they were unable to amicably resolve the discrepancies that might arise from this document, the parties expressly submit to the jurisdiction of the judges and Courts of Burgos, waiving any other jurisdiction that may correspond to them by law.