

## GENERAL CONDITIONS OF SALE AND SUPPLY

### CONTENTS

0.	DEFINITIONS	2
1.	APPLICATION	3
2.	SCOPE OF APPLICATION	3
3.	DOCUMENTATION AND CONFIDENTIALITY	3
4.	CONDITIONS OF DELIVERY	3
5.	PURCHASER OBLIGATIONS	4
6.	SUPPLIER OBLIGATIONS	4
7.	PRICES, PAYMENT TERMS AND THEIR FULFILMENT	4
8.	DEVELOPMENT, MODIFICATION AND/OR UPGRADE OF COMPONENTS	5
9.	SUPPLY, DISPATCH OF GOODS AND RESPONSIBILITY FOR OBSOLETE ITEMS	5
10.	SUPPLIER LIABILITY	6
11.	WARRANTY	6
12.	REASONS FOR EXCLUSION OF SUPPLIER LIABILITY	7
13.	REFUSAL OF SALE OR SUPPLY	8
14.	COMMUNICATIONS	8
15.	APPLICABLE LEGISLATION	8
16.	JURISDICTION	8
17.	PREVALENCE OF THE SPANISH VERSION	8
18.	ADDITIONAL CLAUSE	9

## 0. DEFINITIONS

EMBEGA S COOP, with registered office in Villatuerta, Navarra (Spain), and all of its subsidiary companies that operate in the market under the EMBEGA name and commercial brand, is hereinafter known as the SUPPLIER.

THE CUSTOMER, who purchases goods and services from the SUPPLIER, is hereinafter known as the PURCHASER.

- 0.1 The SUPPLIER is a company dedicated to manufacturing and marketing components for different sectors.
- 0.2 The PURCHASER is interested in purchasing parts from the SUPPLIER for use in its products.
- 0.3 THE Conditions of Sale and Supply contained in this document apply to the trading operations between the parties.
- 0.4 The PURCHASER, exercising his freedom of choice in the market by sending his orders to the SUPPLIER, unequivocally accepts these Conditions.

## **1. APPLICATION**

These General Conditions are the only ones that apply for regulating Sales operations between the SUPPLIER and the PURCHASER, except in cases where other written Agreements exist that have been signed by the Parties and are in full force.

In the latter case:

- If, in the Agreements signed by the parties and in force, there are clauses that come into conflict with those contained in these Conditions; the clauses contained in the Agreements in force signed expressly by the Parties will prevail.
  
- - If, in the Agreements signed by the parties and in force, there are none of the Conditions contained herein, the latter shall apply.

Any other Condition of the PURCHASER, pre-printed on orders or supply schedules or published electronically (WEB, etc.) that has not been expressly accepted and signed by the SUPPLIER will lack validity.

The fact that the PURCHASER has made an order is sufficient for it to be assumed as aware of the General Conditions and accepting them in full, except in the cases mentioned above.

## **2. SCOPE OF APPLICATION**

These conditions will apply for all products manufactured or marketed by the Supplier, irrespective of the place where they were manufactured or sold.

## **3. DOCUMENTATION AND CONFIDENTIALITY**

All documentation issued by the SUPPLIER to the Purchaser and vice versa, relating to the products, commercial relations, plans, quality certificates, specifications, Contract offers, price lists, etc., will be considered as confidential information and should not be revealed to any third parties without prior authorisation from the other Party.

## **4. CONDITIONS OF DELIVERY**

Unless agreed otherwise in writing between the parties or expressly stated in the offer issued by the SUPPLIER, the contracting parties agree that the deliveries of the components will be made in DDU conditions (Incoterms 2000) to the PURCHASER warehouses, with payment 60 days after the invoice date.

## **5. PURCHASER OBLIGATIONS:**

The PURCHASER undertakes with respect to the SUPPLIER to:

- 5.1 Accept the goods made available in the conditions established in clause four.
- 5.2 Promptly pay the invoices issued by the Supplier.
- 5.3 Provide the cooperation necessary in each case.
- 5.4 Fulfil the rest of the obligations undertaken in these Conditions in the Trading operations that take place between the Parties.

## **6. SUPPLIER OBLIGATIONS**

Without prejudice to what the parties may agree in other contracts that they sign, from this moment the SUPPLIER undertakes with respect to the PURCHASER to make available the corresponding goods in the orders accepted and confirmed by the SUPPLIER in the Conditions established in this document..

## **7. PRICES, PAYMENT TERMS AND THEIR FULFILMENT**

- 7.1 Both parties agree that both the price and the payment terms of the trading operations carried out will be the most recent ones sent in writing by the Supplier to the Purchaser following the issue of the order from the latter and, in turn, they should be in line with those shown on the invoice that the SUPPLIER will raise in the PURCHASER name.
- 7.2 The purchaser will be responsible for any licence, tax, fee, customs duty and other official authorisations that may be necessary as a result of the dispatch and delivery of the goods.
- 7.3 The offers, prices and conditions of sale sent by the SUPPLIER will be valid until further communication from the SUPPLIER, and the SUPPLIER reserves the right to modify these conditions when it consider this appropriate.
- 7.4 In the event of these modifications taking place, they will apply for any new order issued by the PURCHASER after the 16th day from receipt of the communication containing the new conditions of sale.
- 7.5 Payments will be made on time, on the due dates of the invoices and for the full amount, to the bank account indicated for this purpose by the SUPPLIER.
- 7.6 Prohibition of compensation: The purchaser will not deduct any amount from the payments for claims, delays, items not delivered, transport, quality, etc., except where the compensation has been expressly agreed in writing by the Supplier.
- 7.7 Failure by the PURCHASER to pay invoices that are due and payable, after being requested in writing on up to THREE occasions, will give the SUPPLIER the right to terminate the contract, suspend or limit the orders in process until the full amount pending payment is met, without prejudice to any other legal action that the SUPPLIER may take.

- 7.8 Retention of Title: Ownership of the goods that are subject to sale will pertain exclusively to the SUPPLIER until payment in full of the amount by the PURCHASER. In the event of partial or complete non-payment, the PURCHASER undertakes not to place a lien on the goods that are subject to sale and to meet the SUPPLIER return requirements, paying all expenses in the event of loss of Value, logistics and Customs costs where applicable.

## **8. DEVELOPMENT AND MODIFICATION AND/OR UPGRADE OF COMPONENTS**

The SUPPLIER is the owner of the designs for the products that it sells and/or markets. Consequently, it may make modifications that do not undermine the functionality or the quality of its products without the express authorisation of the PURCHASER.

These modifications will always comply with the regulations that apply to these products for their use in household appliances and meeting the technical specifications of the product.

## **9. SUPPLY, DISPATCH OF GOODS AND RESPONSIBILITY FOR OBSOLETE ITEMS**

- 9.1 The SUPPLIER will inform the PURCHASER about the delivery periods for the products subject to Sale or Supply. The delivery period will start to be calculated from the first working day, according to the SUPPLIER work schedule, from receipt of the order by the SUPPLIER.
- 9.2 Once the order has been received by the SUPPLIER, the PURCHASER will not be able to cancel or modify its contents unless expressly accepted by the SUPPLIER.
- 9.3 In the event of regular supplies, if the PURCHASER uses a regular electronic ordering system (Via WEB, EDI, email, Excel files, etc.) with information about delivery forecasts and confirmations (call off), the following responsibilities are established:
- 9.3.1 The SUPPLIER will use the information from the forecasts to obtain stocks of materials and manufacture the goods that are subject to Sale.
- 9.3.2 The SUPPLIER will use the information from the closed order, delivery confirmation or call off to issue the goods.
- 9.3.3 In the event that the purchaser refrains from purchasing an item, significantly reduces its consumption or changes it completely, it will have to inform the SUPPLIER in writing with notice of TWELVE WORKING WEEKS.

In the event of failure to comply with what is stated in the previous point, the SUPPLIER may claim back from the PURCHASER either the amount corresponding to an order for the amount necessary to use up all of the goods in stock or the financial compensation equivalent to scrapping the specific raw materials of the goods that are subject to sale for which consumption has dropped.

- 9.4 In the event that it is agreed that transport will be the responsibility of the SUPPLIER, the cheapest form of transport will be hired.

If, for reasons of urgency of any type, urgent transport is necessary, this will be the responsibility of the PURCHASER.

## **10. SUPPLIER LIABILITY**

- 10.1 In the event of failure to comply with the delivery periods due to reasons attributable to the SUPPLIER, the PURCHASER may ask for compensation in the form of a maximum sum of 0.15% of the value of the delayed supply for each complete week of delay. This will be counted from one week after the date confirmed by the supplier. This penalty may not in any case exceed 3% of the value of the goods that are delayed and includes damages derived from the above-mentioned situation.
- 10.2 The maximum amount for which the SUPPLIER will be liable for all items subject to compensation attributable to it for any reason and excluding any other compensation will be 3% of: - Sales of all specific items sold that are the subject of a claim and for a maximum period of one (1) year.
- 10.3 Under no circumstances will the SUPPLIER be liable for financial losses, loss of profit and other indirect costs borne by the PURCHASER.
- 10.4 In the event that, in the opinion of the SUPPLIER, the products subject to sale present any defect that involves a risk for the safety of users and the goods have already been made available to the PURCHASER, the SUPPLIER will be obliged to provide replacement goods. This will be carried out at the discretion of the SUPPLIER, who will bear the costs of this intervention corresponding to replacement of materials, labour, packaging and transport.

In such cases, the SUPPLIER may opt, at its own discretion, to eliminate the defect that was detected, select the material affected or supply the Purchaser free of charge with components free from any defect.

## **11. WARRANTY**

- 11.1 The SUPPLIER guarantees its products during the time and with the exceptions stated below, against design defects, defect in the materials used, and defects in the manufacturing process that have an impact on the result of the product.
- 11.2 The warranty period will start from the date of receipt of the goods by the Purchaser and will last for 12 months. The PURCHASER should notify the SUPPLIER of the problems detected in the product within 15 days from the time when they are found.

- 11.3 During the warranty period, following selection of the products indicated as defective by the PURCHASER, the SUPPLIER will repair, replace or supply any product recognised as defective by the SUPPLIER as long as it does not comply with its functionality, the regulations that apply or with the technical specifications. The PURCHASER will have no right to any further compensation.

Selection from among the various options provided in the previous paragraph will correspond exclusively to the SUPPLIER.

The defective product replaced in accordance with this clause will be made available to the SUPPLIER.

- 11.4 The following are excluded from this warranty:

Any product damaged by normal wear and tear, negligent handling not in line with the product safety or technical regulations, insufficient supervision and any type of negligence on the part of the Purchaser.

Faults and/or defects caused by defective handling and/or assembly or installation by the Purchaser or due to modifications or repairs carried out without written agreement from the SUPPLIER.

Defects caused by materials, fluids, energy or services used by the Purchaser or those caused by a design imposed by it.

Breakdowns that occur due to unforeseen circumstances, force majeure (atmospheric or geological phenomena) and losses or any other type of natural catastrophe.

As a general rule, any indirect damage, consequences and/or collateral damage.

## **12. REASONS FOR EXCLUSION OF SUPPLIER LIABILITY**

- 12.1 The SUPPLIER will not allow any claims for loss, damage or any other claim not provided for in this agreement, unless expressly agreed in writing.
- 12.2 A reason for exclusion of the Supplier liability lies in faults or defects in the goods derived from failure by the PURCHASER to use due diligence in the handling, installation and conservation of the product.
- 12.3 The SUPPLIER will not respond in any case to the PURCHASER for claims derived from damage caused by the latter to third parties.
- 12.4 The Supplier will not respond for defects or product losses when the product complies with its functionality and is suitable for the use planned by the SUPPLIER and complies with the product technical specifications.

- 12.5 The SUPPLIER will not in any case be liable for financial losses, damage to assets, loss of profit and other indirect costs borne by the PURCHASER as a result of defective supply.
- 12.6 The Purchaser will take full responsibility for approving the components from the SUPPLIER, for the purpose of considering them suitable for fitting in its household appliances and its handling and fitting processes. Furthermore, it is the Purchaser responsibility to establish the checking and quality procedures necessary to detect any anomaly promptly, and to maintain the traceability of the components provided by the Supplier in its household appliances in order to be able identify those affected in the event of a problem in the components.

### **13. REFUSAL OF SALE OR SUPPLY**

The Supplier may refuse to fill orders from the Purchaser that are pending supply or to execute new orders in the following cases:

- 13.1 Due to failure by the Purchaser to comply with any of the obligations assumed in these Conditions.
- 13.2 Due to permission to proceed with any type of bankruptcy proceedings, liquidation or suspension of payments that may affect the PURCHASER.

### **14. COMMUNICATIONS**

The Supplier undertakes to publish these Conditions of Sale and Supply in a manner that is visible and accessible to the Purchaser and to dispatch them electronically so that awareness of them is guaranteed when the Purchaser places its order.

### **15. APPLICABLE LEGISLATION**

Any dispute that may arise between the Parties in their trading operations will be governed by these Conditions and anything that is not provided for in them by the Spanish Commercial Code, Spanish law and Spanish trading practices.

### **16. JURISDICTION**

Furthermore, both parties agree that for any discrepancy that may arise in the interpretation or execution of this contract, as well as any that may materialise due to it, the parties expressly submit, with waiver of any other jurisdiction that may correspond to them to the Law Courts of Bergara (Gipuzkoa), Spain.

### **17. PREVALENCE OF THE SPANISH VERSION**

In the event of discrepancies in interpretation that may arise between the two versions of this agreement, the parties agree that the version written in Spanish shall prevail.



## **18. EIGHTEEN.- ADDITIONAL CLAUSE**

If any provision in these General Conditions is declared by a competent law court in the jurisdiction as illegal, null or not enforceable, all of the other provisions will not be affected and will remain in full force and effect.