

# **Kaufil Sealing Technologies S.A.**

## **GENERAL PURCHASE CONDITIONS**

### **1. - SCOPE**

Our "General Purchase Conditions" shall be the sole agreement governing all our purchases. No general conditions of sale of supplier or any other document coming from him related to our order shall be applicable.

These general purchase conditions can only be modified by a written provision signed by our Purchasing Department.

Our "General Purchase Conditions" shall be applicable to all our purchases, i.e. tools, machines, parts, raw materials or supplies of any kind (hereinafter, "supplies").

Supplier is deemed to have accepted the Terms and their application if he has accepted the order explicitly or tacitly by beginning performance, according to item 2.2

### **2. - ORDERS**

#### **2.1. - Purchase orders.**

All purchases made by our Company shall be compulsorily covered by a purchase order issued by Purchasing Department. In case of necessity, a supply can be delivered against a delivery acceptance order issued by Purchasing Department or according to the order number provided by the mentioned Department.

Buyer may at any time modify the object of its order , e.g. change drawings, designs, specifications, materials, or packaging of the goods or time or place of delivery. If the cost of the production is influenced by such change, an equitable adjustment will be made in writing.

#### **2.2. - Order acknowledgment.**

Supplier shall confirm reception and acceptance of a purchase order within fifteen (15) calendar days of its receipt by returning a signed copy to the Purchasing Department. Until reception of the acknowledgement, the buyer can cancel the order to the supplier without any responsibility. Once the fifteen (15) calendar days mentioned in the above paragraph are over, without the reception of the acknowledgement of the order, it will be considered that the order has been tacitly accepted, effective from the day of the reception of the order. In absence of this, commencement of the work shall be considered as an implicit acceptance of its conditions.

### **3. - ACCORDANCE**

#### **3.1. - Accordance with the drawings, specifications and conditions sheet.**

Without prejudice to which it is established in art. 3.2, supplies shall be, in all details, in accordance with the drawings, specifications and conditions sheets and, in case of undefined characteristics, according to the accepted initial samples. Any technical modifications shall be registered in an appendix attached to the purchase order issued by the Purchasing Department.

#### **3.2. - Accordance with the laws and rules.**

Ordered supplies shall conform to the laws, rules and current provisions applicable in the European Union, specially concerning health, safety and environmental protection.

Supplier shall cover our Company with an insurance against any action coming from the violation of the mentioned provisions and engages himself to assume all consequences, financial or of any kind.

#### **3.3. - Origin of supplies**

Supplier shall certify the origin of the supplies at our request.

#### **3.4. - Quality assurance.**

Supplier engages himself to adopt the Quality System of KAUFIL SEALING TECHNOLOGIES, which shall have been communicated by our Company as well as to accept Quality Audits determined by KAUFIL SEALING TECHNOLOGIES, granting access to our company customer if necessary. KAUFIL SEALING TECHNOLOGIES expects, in case of non-fulfilment, an immediate response containing the following countermeasures:

- Supplier notification as soon as it finds non-conforming goods at its facilities.
- A representative's visit to decide together a solution in case the incident had been detected at our facilities.

- Confirmation of stock conformity by fax to the Quality Department of KAUFIL SEALING TECHNOLOGIES including measures undertaken to avoid problem recurrence.
- Timing for this action: 48 hours for reason and immediate action. 7 days for corrective actions plan.
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#### **4. - PATENT RIGHTS OR INTELLECTUAL RIGHTS**

Supplier shall personally respond for the validity of its industrial property rights for the manufacture and sale of its supplies. Should a third party claim to ban, limit or modify commercialization or sale of the mentioned supplies, supplier shall exempt us from any consequences coming from this action. Our company is entitled to a compensation for any losses suffered arising from the failure by supplier to totally or partially fulfil our order, including damages and expenses debited by our customers resulting from our failure to fulfil our own agreements.

In case of any administrative or judicial proceedings, our Company reserves the right to cancel current transactions, holding all our claims and rights to pursue an action against supplier.

In case of tools manufacture using supplier patent rights, and in the hypothetical case of non conforming performance from its side, supplier expressly authorizes our Company to finish or have the tools finished and/or manufacture or make to have the parts made for which production those tools were intended for. Supplier shall provide drawings used to produce tools, machines or parts.

#### **5. - DELIVERY LEAD TIME**

Delivery lead times an inseparable and essential to all purchase conditions. The delivery time will start with the acceptance of the order.

Supplier shall be responsible to undertake any necessary action to ensure delivery date in terms of supplies themselves as well as in any other technical, administrative and shipping documents.

Supplier shall not deliver supplies prior to ordered delivery date unless expressly authorized by the Purchasing Department.

Any delay in delivery can lead to the application of article 13. Our Company shall be then entitled to purchase the goods from another supplier. Any overcoming surcharge shall be debited to responsible supplier.

As soon as Supplier can reasonably expect that the agreed delivery date cannot be met, it must inform Buyer in writing of the expected delay, specifying the reasons and the expected duration of the delay, and thereafter provide updated reports at intervals of maximum 2 days.

#### **6. - PRICE, INVOICE AND PAYMENT CONDITIONS**

6.1. - Unless otherwise agreed, orders are with firm, non-revisable price and this price is to be considered <sup>a</sup>delivered, duty paid, at our warehouse<sup>o</sup>. DDP our warehouse (defined as per INCOTERMS 1990). All transport and unloading expenses, duties or taxes until reception and unloading of supplies at our warehouse, as well as insurance and risks until definitive reception, shall be at supplier's charge.

6.2. The invoice shall include all details in the order, allowing identification and supplies control.

6.3 Unless otherwise agreed, all our purchases are to be paid on the 20th day of the month, after 90 days from invoice date.

6.4 Our Company is expressly entitled to keep any pending amount owed to our Company by supplier, whichever the reason may be, from supplier's invoices.

6.5 Supplier is obliged to give prior notification in case of our Company's credit disposal.

#### **7. PACKAGING AND DELIVERY DOCUMENTS**

##### **7.1 Packaging**

##### **7.1.1 Nature**

All deliveries shall be made using the packaging specified on our order specifications or on our order. In case of no detailed specifications, supplies shall be packed in accordance with the provisions existing at the Member States of the Economic European Union.

Any damage suffered by delivered supply, due to a non-conforming packaging, will be charged to supplier.

#### 7.1.2 Mentions

Every package shall include on its outside, in a legible way, all mentions established by applicable rules in force in the Member States of the European Economic Union, as well as provisions relating to special storage conditions.

Every package shall also include our purchase order number, lot number, supplies description, quantity delivered and weight, gross and net.

#### 7.2 Delivery documents

Supplier shall accompany delivery with a detailed delivery document indicating the number and kind of packages as well as any other information in the order permitting to identify supplies and control its quantity.

### **8. RECEPTION / WARRANTY**

8.1 Unless expressly agreed, order reception shall be at KAUFIL SEALING TECHNOLOGIES plant, on working days, during our working hours.

Our Company reserves the right to make all kind of supply checks at supplier's plant prior to its dispatch as well as at our own facilities after the reception. This shall not be cause for any supplier warranty reduction.

All non-conforming supplies, especially as far as quantity or quality conditions are concerned, could be returned to the supplier at its own risk and expense.

Supplier shall admit at its expense rejected supplies within 7 (seven) days from the supply rejection report.

In case of non conforming delivery, our company shall be entitled to cancel the order, in accordance with article 13 of these general purchase conditions, and purchase the supplies from another supplier. Any arising surcharge shall be debited to the responsible supplier.

#### 8.2 Sold supplies.

Supplier shall maintain insurance coverage for all supplies against any open or latent, hidden or concealed blemish or flaw, arising from material, manufacture or design defects. Provisions established in Ley [Law] 22/1994 of 6th of June 1994 on Civil Liability of damages caused by non-conforming goods shall be applicable.

Any clause intending to reduce this legal warranty shall not have effect.

In the event our Company, or a vehicles manufacturer, customer of the Buyer, rejects a supply, the supplier shall reimburse KAUFIL SEALING TECHNOLOGIES, in proportion to its responsibility, all expenses effectively suffered by our Company.

Supplier shall maintain insurance coverage for its civil liability, which shall be at our disposal at our request. Supplier shall provide proof of payment of such insurance coverage.

### **9. RISKS**

Whichever transportation method is used, risk transfer shall only be effective on final reception at the established place in the order.

### **10. SUBCONTRACTORS**

10.1 Orders shall not be manufactured or performed, either totally or partially, by a supplier's subcontractor unless on written consent from our Company.

10.2 In case of authorisation from our Company to subcontract to a third party total or partial order, supplier shall still be solely responsible for the execution of the order by supplier's subcontractor against our Company. Supplier engages to ensure subcontractor shall proceed in accordance with these general purchase conditions.

### **11. CONFIDENTIALITY**

Supplier is obliged to keep professional secret. All information provided by our Firm is confidential and supplier shall adopt all necessary measures to prevent specifications, formulas, drawings and designs related to our orders to be disclosed to a third party, might disclosure come from supplier itself, from an agent, representative, permanent or part-time performers, suppliers or subcontractors.

This confidentiality engagement shall be binding during all order execution period as well as for five (5) years after the end of the order execution.

Once the execution of the order is finished, supplier is obliged to return to the Company, at its request, all documents related to the order.

## **12. PROPERTY TRANSFER.**

12.1 KAUFIL SEALING TECHNOLOGIES shall be the owner of the supplies from the moment they are individually generated at supplier's plant. Supplier engages to ensure our property rights prevailing at any circumstances.

12.2 In case of partial funding, raw materials supplied by supplier as well as in-process goods, shall be automatically transferred to our Company's property once settled the corresponding price division. Supplier, acting as repository, engages to undertake all necessary actions to individualise the mentioned raw materials and in-process goods, especially by sticking labels holding our Company's name.

12.3 Moulds, tools or machines manufactured by supplier following an order from KAUFIL SEALING TECHNOLOGIES shall be during manufacturing process of our property as well as all patents or intellectual rights. Neither retention right is applicable to supplier nor seizure action to a supplier's creditor. Supplier, acting as repository, engages to undertake all necessary actions to individualise the mentioned moulds, tools and machines, especially by a metal label or a mark stamped in cold declaring "KAUFIL SEALING TECHNOLOGIES property. Not "seizable"

12.4 In case of a contract to store our Company moulds, tools or machines at supplier's plant:

- Our Company shall keep their property and shall be entitled to withdraw them at any time.
- They shall exclusively be used to execute our orders.
- Supplier shall be responsible for their maintenance and necessary adjustments to ensure their perfect conditions.
- Unless otherwise agreed, supplier shall be solely responsible for all risks that moulds, tools or machines are exposed to as well as for all risks arising from their usage. Supplier shall contract an insurance against any ordinary risks and damage (including theft) arising for an amount equivalent to its substitution value. Insurance shall include damages caused to third parties.

## **13. CLAUSE OF DENUNCIATION**

Our Company may terminate the contract, without notice or any other procedure, in the event that supplier fails to fulfil any of its contractual obligations. Our Company shall be then entitled to compensations from the supplier for losses and damages suffered.

For the purposes of settlement of this contract by "KAUFIL SEALING TECHNOLOGIES " due to non-fulfilment by the supplier, it is clearly understood and accepted by both parties that in the trade relations between them, the fulfilment of these General Conditions and of any special terms included in each order must be perfect and total; and that all the elements and obligations are of an essential nature. Therefore, serious and total contractual non-fulfilment by the supplier will be considered, who will authorise "KAUFIL SEALING TECHNOLOGIES " to cancel the contract and claim for the corresponding damages, in the following cases:

1. Delayed deliveries if the is attributable to "KAUFIL SEALING TECHNOLOGIES".
2. The manufacture of the goods or the execution of the work without complying with "KAUFIL SEALING TECHNOLOGIES " recommendations and/or those of their customers.
3. Incomplete or partial deliveries, except if the cause is attributable to "KAUFIL SEALING TECHNOLOGIES".
4. Deliveries that do not perfectly meet the specifications required by "KAUFIL SEALING TECHNOLOGIES ", and / or by their customers, except if the cause is attributable to "KAUFIL SEALING TECHNOLOGIES "
5. Any non-fulfilment of the agreement even if this is partial.

## **14. GOVERNING LAW AND JURISDICTION**

Both parties expressly relinquish the application of international regulations, expressly agreeing that the Spanish legislation and Laws will apply to their purchases. Both parties relinquish their own jurisdiction and will submit to the competence of the Courts and Tribunals of Logroño for any action that could arise from their trade relations.

## **15. RESERVATION**

15.1 Buyer may terminate its order or any part of it for its convenience by written notice to Supplier

15.2 Upon receipt of such notice Supplier will immediately stop all work for its performance and cause its suppliers or subcontractors accordingly.

15.3 Supplier is compensated for all goods which  
( I ) are ready for delivery in accordance with the relating delivery schedule  
( II ) conform to all requirements of the order  
( III ) and are free of all encumbrances and other right of third parties

15.4 The compensation corresponds to the agreed purchase price and is due upon delivery and according to item 6.

If the order to the purchase of equipment, the compensation will be limited to:

( a ) the lesser of ( i ) Supplier's actual cost for direct labour and other expenses directly and reasonably incurred pursuant to the order, prior to receipt of the notice under item 15.1 or ( ii ) the percentage of the original purchase price as the work done by Supplier prior to the receipt of the notice under the item 15.1 bears to entire work covered by the order:

( b ) Less any previous payments.

In no event Buyer will be liable for lost profits, interest expense, other consequential damages or for expenditure which could reasonably have been avoided.

## **16.FORCE MAJEURE**

Neither party shall be liable for delay in the performance of its obligations as a result of force majeure or other events beyond its control which despite diligent efforts cannot be resolved.

The respective party shall immediately notify the other party in writing on such an event, detailing, and on demand, giving evidence for its cause, term and effects and shall undertake its best efforts to limit the effects to the other party.

The other party shall be entitled to restrict or terminate the respective order.