

GENERAL PROCUREMENT CONDITIONS

1. Overview.

- 1.1 PRONUTEC, S.A.U., hereinafter to be referred to as PRONUTEC places all its orders in strict accordance with these buying conditions, unless there is an agreement, which must be specifically set forth in writing between the supplier and PRONUTEC to be valid.
- 1.2 The general buying conditions, offers, supply contracts will not be valid until they are approved and endorsed by PRONUTEC.
- 1.3 Any amendments to orders will only be effective when they have been approved in writing by PRONUTEC or confirmed.

2. Order confirmation.

- 2.1 Suppliers must return the issued purchase order to PRONUTEC confirming the price and required delivery date, and acceptance of the rest of our purchase conditions.
- 2.2 PRONUTEC reserves the right to cancel orders at any time if the purchase order is not received with the aforementioned details within the deadline of 14 days from delivery of the purchase order.

3. Delivery.

- 3.1 The requested suppliers / services must be delivered / provided on the date and in the place indicated on the purchase order, with PRONUTEC reserving the right to accept any orders delivered early.
- 3.2 If no date is specified in the purchase order, delivery is expected to be as soon as possible and at the lower cost.
- 3.3 In the event of not meeting the established deadline, PRONUTEC reserves the right to cancel the order, and may demand compensation for damages, with the compensation and penalty stipulated in each case.
- 3.4 If PRONUTEC is charged costs / penalties for delays in the delivery deadline to its clients, and said delays have been caused by delays by suppliers, these charges will be charged to the supplier.

4. Delivery.

- 4.1 As a general rule, delivery must be made free of charge at the site established by PRONUTEC.
- 4.2 The option always selected by PRONUTEC will be ex-works (DAP or DDP, as per 2010 Incoterms) and must be made as cheaply and quickly as possible unless PRONUTEC requests special transport.

5. Materials. Quality.

- 5.1 All materials used by suppliers must comply with all valid laws, both governmental limitations and safety regulations concerning restricted use, toxic or hazardous materials, and any other electrical and electro-magnetic regulations applicable in the country of manufacture and sale.
- 5.2 The conditions of materials stipulated by PRONUTEC concerning quality parameters must be met in accordance with required demands.
- 5.3 The quality requirements are defined in the Suppliers' Quality Manual and are applicable to all orders.
- 5.4 In the event of supplies or services not meeting the established conditions, PRONUTEC is entitled to cancel the contract with an amount charged for damages.
- 5.5 Once 14 days have elapsed after relevant claims are made in writing, PRONUTEC has the right to return any defective material to the supplier, at the latter's expense and risk.
- 5.6 In cases of defective products, the supplier is responsible for repairing or replacing said products within a reasonable period of time. If the supplier is unable to correct this kind of defect, PRONUTEC will be entitled to carry out the work on its own behalf or assign it to third parties, always informing the supplier and if the circumstances permit it. All the costs incurred will be charged to the supplier.

6. Packaging.

- 6.1 Suppliers must provide Packaging Materials that guarantee sufficient protection of the supply and that are suitable for the type of transport employed.
- 6.2 Suppliers will cover all costs stemming from defective packaging and incorrect handling or transport.
- 6.3 Suppliers must comply with the packaging instruction issued by PRONUTEC as and when relevant.
- 6.4 The cost of Packaging Materials used must be included in the cost of the contracted products / services.
- 6.5 Whenever possible, Suppliers must use recyclable packaging.
- 6.6 Whenever required, packaging must meet the currently valid phytosanitary technical regulations.

7. Prices.

- 7.1 The agreed prices are final, and will therefore not be subject to any variations, under any circumstances, unless otherwise agreed in writing.
- 7.2 All fees, taxes and charges must be itemised separately with regards to the basic cost in all invoices.
- 7.3 Prices must be quoted in the currency established in the Purchase Order.
- 7.4 PRONUTEC has the right to cancel supply contracts with Suppliers whenever there is reason to believe that the Supplier is delivering supplies at prices that are not consistent with market prices.
- 7.5 If any prices are missing or are not determined in an order, the price determined by the Supplier will not be valid until it has been approved in writing by PRONUTEC.

8. Payment conditions.

- 8.1 The conditions agreed with each supplier will be applied.
- 8.2 The payment deadline will be the result of computing the term from the date the material and/or services are received at the agreed facilities in the purchase order.
- 8.3 Payment will be made after checking the invoice and the material and/or services received.
- 8.4 Payment will be made by direct debit.

9. Transfer.

- 9.1 Suppliers may not transfer, under any title, nor fully or partially encumber the rights stemming from the Purchase Contract, including their credit rights, without prior authorisation in writing from PRONUTEC.

10. Compensation.

- 10.1 Whenever there is previous credit by PRONUTEC vis-a-vis a Supplier, PRONUTEC may fully or partially compensate it with credit in favour of the Supplier stemming from Purchase Orders and respecting the conditions for debt compensation established in currently valid legislation.

11. Control of Exports, Customs and Foreign Trade Regulations.

- 11.1 Suppliers are obliged to comply with regulations concerning Control of Exports, Customs and Foreign Trade.
- 11.2 Suppliers must notify PRONUTEC in writing within the deadline of two weeks from reception of orders, with all the information and data required by the buyer in order to comply with all the Foreign Trade regulations for Exports and Imports.
- 11.3 Suppliers will be liable for any damages and/or expenses incurred by PRONUTEC due to failure to comply with the aforementioned obligations, unless this is not attributable to the Supplier.

12. Subcontracting.

- 12.1 Suppliers may not totally or partially subcontract execution of Purchase Orders without prior authorisation in writing by PRONUTEC.

12.2 In the event of PRONUTEC granting authorisation, the Supplier will always be responsible for the work it carries out directly and that by the contracted individuals or businesses.

13. Independence of Suppliers.

13.1 Suppliers must act in compliance with their obligations vis-a-vis PRONUTEC as independent businesses, and all their agents, employees and subcontractors must be selected, managed and supervised by them.

13.2 No employer / employee or principal / agent relationship will exist between PRONUTEC and its Suppliers, with the only kind of relationship being of a mercantile nature.

14. Confidentiality.

14.1 Any samples, drawings, documents, specifications, moulds, etc., delivered to Suppliers are the exclusive property of PRONUTEC and shall be considered confidential, and therefore Suppliers must not provide them to third parties without prior consent in writing for each individual case by PRONUTEC.

14.2 Suppliers must not make reference to, describe or use any material or documents as illustrations or for publicity purposes without prior authorisation in writing from PRONUTEC.

14.3 Once commercial relations between Suppliers and PRONUTEC have ended, the confidentiality obligations shall remain in force for a period of 2 years after the end of relations.

15. Product Liability.

15.1 In the event of liability against PRONUTEC being claimed in relation to a product, the Supplier must exempt the former from any liability whenever the damages have been caused by a defect in supplied items. In cases of fault based liability, the foregoing will only be applicable if the Supplier is at fault. Whenever the cause leading to damage lies within the scope of responsibilities of the supplier, the latter must prove that it does not fall under his/her responsibility.

15.2 In the cases provided for in Point 15.1, suppliers will defray all costs and expenses, including any stemming from the possible exercising of legal action.

15.3 For all other matters, the currently valid legal provisions will be applied.

15.4 In cases of product recalls or replacement, whether fully or partially due to deficiencies in the object of a contract delivered by a Supplier, PRONUTEC will report the situation to the supplier affording the possibility to cooperate and hold contact with a view to efficiently undertaking the relevant measures, unless, because of special urgency, said information and participation is not possible. If product recalls are the consequence of deficiencies in the object of a contract delivered by the supplier, the recall or review or replacement costs of products for clients will be defrayed by the supplier.

15.5 In order to do so, PRONUTEC may request the supplier to take out a civil liability insurance policy covering defective products (Directive 85/374/EEC) whose amount of cover will be agreed in each case in accordance with the invoicing volume or the critical nature of the supplied parts.

16. Guarantee.

16.1 Reception of goods by PRONUTEC will be carried out reserving the right to inspect, to the extent and within the time limit deemed advisable for ordinary business operations, the delivered items to ensure there are no deficiencies, and also to ensure correct and complete delivery of the order. Any defects found will be immediately claimed by PRONUTEC at the moment they are detected. Within this context, Suppliers waive the right to challenge claims for defects filed by PRONUTEC outside the usual deadlines.

16.2 The relevant legal provisions will be applied concerning hidden flaws, unless these Conditions provide for otherwise.

- 16.3 In urgent cases and particularly when action is taken to mitigate imminent danger or to avoid excessive damages, PRONUTEC is entitled to eliminate any identified defects or flaws and to charge incurred costs to the Supplier. The rights stemming from any material flaws shall expire after three years.
- 16.4 The expiry period shall commence on the date of reception of goods at the facilities indicated by PRONUTEC.
- 16.5 Any claims for flaws shall expire, except in cases of bad faith, after three years.
- 16.6 As a general rule the duration of the guarantee for products or services supplied to PRONUTEC is 3 years.
- 16.7 If Suppliers meet their obligations to settle claims by replacing products, the expiry period for the newly delivered goods shall commence as of the date they are delivered, unless, when accepting to replace goods the Supplier has specifically stated with due cause that replacement is only made for reasons of courtesy, in order to avoid litigation or to keep the business.

17. Suspension of orders due to force majeure.

- 17.1 The existence of situations of force majeure due to labour conflicts, business stoppages, riots and administrative measures will entitle both parties, whilst said situations continue, to fully or partially cancel the contract without prejudice to their remaining rights.

18. Contract termination.

In addition to that provided for in the preceding point, PRONUTEC may also suspend orders whenever Suppliers breach the general conditions established or the basic specifications of the order, without any costs.

19. Applicable legislation and jurisdiction.

- 19.1 Orders / Purchase Orders / Contracts and these Conditions shall be subjected to Spanish legislation.
- 19.2. In cases of litigation, and any other effects, the parties shall subject themselves to the jurisdiction of the Courts of Vizcaya.