

## GENERAL TERMS AND CONDITIONS OF PURCHASE

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### **1. APPLICATION OF THESE GENERAL TERMS AND CONDITIONS OF PURCHASE**

These General Terms and Conditions of Purchase apply to all operations concerning the acquisition of all type of products and services carried out by the companies belonging to the FAGOR AUTOMATION Group, that is:

Fagor Automation S. Coop.

Fagor Automation GMBH

Fagor Automation France S.à.r.l.

Fagor Automation UK Ltd.

Fagor Italia S.R.L.

Fagor Automation Rus.

Fagor Automation do Brazil Com.Imp.Exp. Ltda..

Fagor Automation Corp.

Beijing Fagor Automation Equipment Co., Ltd.

Fagor Automation (Asia) Ltd.

Fagor Control Systems Pvt. Ltd.

Fagor Automation Korea, Ltd.

Fagor Automation (M) SDN.BHD.

Fagor Automation (S) Pte. Ltd.

Fagor Automation Taiwan Co. Ltd.

and their subsidiaries, as well as any other company that may become part of the group in the future, unless otherwise specified in the CONTRACT.

The fact that the CLIENT issues an order is sufficient demonstration of awareness of these General Terms and Conditions of Purchase and of having accepted them in their entirety.

No modification included in the order with regard to the offer shall be accepted, unless previously agreed in writing, prevailing in any case what is stated in the offer and in these General Terms and Conditions of Purchase. In the event the CLIENT proposes a modification it ought to be accepted by FAGOR AUTOMATION in order to be valid.

Any reference to general or specific terms and conditions of purchase of the CLIENT in its documents, irrespective of when it may have been made, shall not bind FAGOR AUTOMATION under any circumstances and shall not be considered as part of

the CONTRACT, even if FAGOR AUTOMATION has not expressly refused it.

Any annulment or modification concerning these General Terms and Conditions of Purchase shall be recorded in writing and signed by the CLIENT and the SUPPLIER. The implementation of any eventual annulment and/or modification will be strictly limited to the Contract in question.

### **2. SCOPE OF THE PROVIDING SERVICES**

The providing services include the supply of equipment and/or the service execution specifically listed in the offer. Unless otherwise expressly indicated, FAGOR AUTOMATION shall not perform incorporating work in the CLIENT's machine or system in which the sold product is incorporated.

FAGOR AUTOMATION may advise the CLIENT in order to achieve the best solution for its necessities considering the different characteristics of the products and the information given by the CLIENT. This advice is intended to provide the maximum information about the product for the CLIENT to decide which product is optimal to achieve the expected final result in the concrete application. Therefore, the CLIENT, and not FAGOR AUTOMATION, shall be responsible in last term for the final election of the product according to its implementation.

### **3. DELIVERY AND DEADLINES**

**3.1** The delivery time shall be stated in the offer, it shall be indicative and it shall be calculated on the basis of FAGOR AUTOMATION's order book position at the time. Therefore, FAGOR AUTOMATION shall reserve the right to introduce modifications related to the delivery time stated in the offer, due to new orders that FAGOR AUTOMATION may accept from the moment of delivery of the offer to the CLIENT until it is accepted, in that case.

FAGOR AUTOMATION shall not be liable, under any circumstance, for any delay due to material shortages, strikes, transportation difficulties or similar assumptions, which shall be considered as *force majeure* for the purposes of compliance.

The delivery time shall not be of the essence, and consequently, the CLIENT shall not be entitled to claim on the basis of delay in the availability of merchandise.

In any case, should the CLIENT fail to pay the price at the time of delivery FAGOR AUTOMATION reserves the right to retain the product sold.

**3.2** The risk of the products shall pass to the CLIENT pursuant to the INCOTERMS issued by the International Chamber of Commerce in force at the time of signing the CONTRACT.

In some type of products, such as PV inverters we recommend "point to point" transporting carried out by experienced companies. FAGOR may manage transportation upon request of the CLIENT.

In the absence of express agreement, it shall be assumed that the products are sold and delivered "ExWorks" (according to Incoterm EXW).

**3.3** The cancellation of any order by the CLIENT, expressly or tacitly expressed, shall entitle FAGOR AUTOMATION to demand to the CLIENT the payment of the corresponding costs (those executed or pending compliance) and of the performed work (calculated on the basis of FAGOR AUTOMATION's rates).

#### **4. PAYMENT**

All payments shall be made by the payment method established in the Order. The payment deadline shall be established in the invoice.

In case the order includes the implementation and/or the assembly and there is a delay on it that is not attributable to FAGOR, it shall not involve deferment of the terms of payment.

If the CLIENT fails to fulfil any payment when due, it shall be declared in default and shall pay legal interest rates of default, as well as every collection costs suffered by FAGOR AUTOMATION that is duly justified, without notice of the expiration date or summons from FAGOR AUTOMATION.

#### **5. IMPLEMENTATION AND ASSEMBLY IN THE CLIENT'S INSTALLATIONS**

The products shall be unpackaged, manipulated and installed by the CLIENT's staff using the instruments at its charge in its final location within the CLIENT's installations, unless otherwise indicated in the offer.

The CLIENT's staff shall implement and assemble the equipments in the CLIENT's installations.

In all actions regarding delivery and services, the CLIENT will:

- comply with all operating manuals and other instructions from the manufacturer and/or FAGOR AUTOMATION;
- employ only qualified operating and monitoring personnel;
- conduct scheduled maintenance and care services according to the operating instructions and enter the results in the maintenance log;
- inspect the software and machines or machine parts and the results achieved therewith, investigating anything out of the ordinary, and
- test them carefully and according to the latest rules of technology, at first in non-productive use, and use them productively only after testing has been completed successfully and the agreed-upon specifications are followed if these products, even and especially software, have been developed specifically for the CLIENT;
- inspect for errors any information given to FAGOR AUTOMATION by the CLIENT for products to be manufactured, such as reports, documentation, sketches and other proposals. FAGOR AUTOMATION will make such an inspection only in exceptional cases, if such an action was agreed upon;
- notify FAGOR AUTOMATION immediately after discovering defects which were not noticed at the time of delivery, including a written description of the problem, how it occurred, and any effects thereof as exact as possible (in the form of a „complaint“); With acceptance of the "complaint" FAGOR AUTOMATION reserves the right to destroy the objected device in the course of detailed tests. The CLIENT has the right to claim an equivalent compensatory device, which in case of an unjustified complaint will be charged to the client's account in the amount of the original price of a new device;
- inform FAGOR AUTOMATION and give FAGOR AUTOMATION the possibility to take reasonable correctional measures, especially to inspect and replace defective parts, before the CLIENT incurs any repair costs; provide the equipment necessary for using the delivered

goods in a timely manner in the current and required version, as well as any other required products from third parties

FAGOR AUTOMATION may offer its collaboration advising on the commissioning of the product and in adjusting the machines. These collaboration tasks do not imply a modification of the scope of the providing service of FAGOR AUTOMATION as it has been defined in the second point of these General Terms and Conditions, so FAGOR AUTOMATION is not liable for obtaining the result wished by the CLIENT.

## **6. INDUSTRIAL AND INTELLECTUAL PROPERTY**

All industrial and intellectual property rights directly or indirectly related to the products supplied belong to FAGOR AUTOMATION, without prejudice to the licenses of use that might be given over them.

Drafts and technical documents that might have given to the CLIENT are exclusive property of FAGOR AUTOMATION, and they cannot be copied, reproduced, transferred or communicated to third parties unless authorized by FAGOR AUTOMATION.

## **7. DOCUMENTATION**

Capacities, performance and/or other characteristics are determined in the catalogues of FAGOR AUTOMATION. The features of the contract are those reflected in the valid editions of these catalogues at the time the contract is signed. However, the information given in the offer shall prevail over the information indicated in the catalogues at the time of signing the contract.

## **8. WARRANTY.**

**8.1.** FAGOR AUTOMATION guarantees its products for the period of time with the exceptions indicated below, against defects in design, materials used and manufacturing process that affect the correct operation of the product.

**8.2.** The warranty period will have an initial duration of 24 months, applicable to all Fagor products from the date the material is shipped to the customer. The manufacturers (OEM) or distributors will have a maximum period of 12 months from the time the product leaves FAGOR AUTOMATION warehouse

to register the warranty. If the manufacturer, distributor and/or end user registers or informs FAGOR AUTOMATION regarding the final destination, date of installation and identification of the machine through any of the methods described by FAGOR AUTOMATION Product Warranty registration process, this warranty will commence for 24 months period from the date of registration, with a maximum limit of 36 months from the time the product leaves the facilities of FAGOR AUTOMATION; i.e., the period between the product shipping date and the date the warranty ends must not exceed a total of 36 months.

If a product has never been registered, the warranty period will end 24 months from the time the product leaves FAGOR AUTOMATION's warehouses. After this period, a warranty extension contract, for the material, must be executed or a specific agreement reached with FAGOR AUTOMATION.

In the case of new replacement parts, the applicable warranty will be 12 months. With repaired products or in those cases where the product exchange option was used, during outside product warranty period-the applicable warranty will be provided by the corresponding repair center. When a repair estimate is provided it pertains to a specific defective item/s hence the warranty only covers the replaced part.

FAGOR guarantees to provide service for all current products and until 8 years after the date they are removed from the current catalog including repair, providing replacement part service or replacing the product with another identical or equivalent model. A backward compatible solution is available for most products i.e. the product can be upgraded to a newer model.

It is entirely up to FAGOR to determine whether the repair is to be considered under warranty.

**8.3.** During the warranty period, and following identification and diagnosis, FAGOR AUTOMATION will only repair or replace the product/part assessed to be defective. FAGOR AUTOMATION is not liable for any other compensation.

FAGOR AUTOMATION at its sole discretion reserves the right either to repair or replace the affected product during warranty period.

This product warranty covers all costs of materials and labor to repair or correct the cause of defect. The repairs will be carried out at the facilities of FAGOR AUTOMATION, unless it is agreed between FAGOR AUTOMATION and the CUSTOMER to carry out the repairs on the premises of the CUSTOMER or end user. Unless there is a specific agreement in cases of onsite repair all expenses related to diagnosis, labor, travel expenses, shipping costs, etc. are excluded and will be billed according to FAGOR AUTOMATION's established rate. The Customer/user will be notified in advance of the estimate of charges when applicable.

The part/s replaced under warranty will be a property of FAGOR AUTOMATION.

FAGOR AUTOMATION offers to its customers an extension to the standard warranty and comprehensive warranty services through SERVICE CONTRACTS that meet the diverse needs of customers.

**8.4. Excluded from this warranty are:**

- a) Deteriorated/Defective components as the result of mishandling, in violation of safety rules or the technical specifications of the product, inadequate monitoring or any type of negligence on behalf of the CUSTOMER.
- b) Defects caused by improper handling, assembly and/or installation by the CUSTOMER or caused by modifications or repairs carried out without the consent of FAGOR AUTOMATION.
- c) Defects caused due to specific materials, fluids/coolants, electricity power or services used by the CUSTOMER.
- d) The malfunctions caused by unforeseen circumstances or force majeure (weather or geological events) and accidents or any other type of natural disaster.
- e) In a general sense, any indirect, consequential and/or collateral damage.
- f) Damage caused during transport.

**8.5.** All service requests during the warranty period must be communicated to FAGOR AUTOMATION, identifying the product (Serial number), describing in detail the symptoms observed, the reason for the malfunction (if known) and its scope.

**8.6.** All components replaced within the warranty period are covered by the warranty until the expiration of the original warranty period of the product.

**8.7.** The warranty offered by FAGOR AUTOMATION will become null and void in the event that the CUSTOMER fails to comply with the installation and operation requirements and recommendations regarding preventive and corrective maintenance as indicated in product manuals.

**9. LIABILITY**

**9.1** Once the guarantee period is expired, FAGOR AUTOMATION agrees to provide to the CLIENT the technical assistance required by the product, receiving the fair market price applicable in each moment for all of it. Nonetheless, FAGOR AUTOMATION reserves the right to choose, at its own criteria, between repairing the damaged product or substituting it for a new one that, although not as the original, it has replaced it in performing that function.

**9.2** FAGOR AUTOMATION shall respond for all compensable concepts that can be attributed to it up to a maximum amount of the 100% of the invoice corresponding to products, services, software, etc. that are included in the compensation claim.

**10. COMPLIANCE WITH EXPORT CONTROL REGULATIONS**

User shall comply with the (re-) export control regulations of SPAIN and of the European Union.

Prior to any such transfer to a third party the User shall in particular check and guarantee by appropriate measures that:

- There will be no infringement of an embargo imposed by the European Union and/ or by the United Nations by such transfer or by provision of other economic resources in connection with information, software and documentation provided by FAGOR AUTOMATION, also considering the limitations of domestic business and prohibitions of by-passing those embargos;
- Such information, software and documentation provided by FAGOR AUTOMATION are not intended for use in connection with armaments, nuclear technology or weapons, if and to the extent such use is subject to prohibition or authorization, unless required authorization is provided;

- The regulations of all applicable Sanctioned Party Lists of the European concerning the trading with entities, persons and organizations listed therein are considered.
- FAGOR AUTOMATION obligation to fulfill an agreement is subject to the proviso that the fulfillment is not prevented by any impediments arising out of national and international foreign trade and customs requirements or any embargos or other sanctions.

#### **11. LANGUAGE**

These General Conditions of Purchase have been written in Spanish and have subsequently been translated into different

languages. In case of discrepancy between the Spanish text and the text in any other language, Spanish text shall have superiority.

#### **12. GOVERNING LAW**

The contract shall be governed by the law corresponding to the registered office of FAGOR AUTOMATION. Any dispute arising out of or in connection with the present contract, such as validity, interpretation, execution and/or resolution, shall be settled under the jurisdiction of the Court corresponding to the registered office of FAGOR AUTOMATION.