

**GENERAL TERMS AND CONDITIONS OF PURCHASE OF GRUPO NAVEC SERVICIOS INDUSTRIALES, S.L.**

**1.- Subject matter**

This document sets out the general terms and conditions of purchase governing the relations between GRUPO NAVEC SERVICIOS INDUSTRIALES, S.L. (hereinafter, "NAVEC") and the counterparty (hereinafter, the "Supplier") for the purchase of equipment and/or materials, as the case may be.

**2.- Scope of application**

These general terms and conditions of purchase will apply to all orders formalised by NAVEC.

Any exception to these general terms and conditions by the Supplier shall only be valid if submitted in writing and accepted in the same way by NAVEC.

Exceptions agreed as mentioned above will only apply to the specific order which they were agreed for and cannot be made extensive to other orders or contracts, whether past or future.

The general terms and conditions of sale of the Supplier shall not apply in any case.

Any condition, specification or the like that the Supplier includes in its delivery notes, invoices or, in general, in any documentation exchanged between the parties in relation to the order that contravene the provisions of these general terms and conditions of purchase will not apply either.

**3.- Submission of offers and order formalisation**

The Supplier will submit its offer following what is set out in the corresponding request for offer presented by NAVEC.

Unless the request for offer indicates another time frame, the offers will be valid for thirty (30) days after NAVEC receives them.

NAVEC will not be liable for any expenses arising from or related to the submission of the offer by the Supplier.

Offers accepted by NAVEC will be formalised with the relevant order. NAVEC will only deem valid those orders that derive from a letter of order issued by its Purchasing Department.

The Supplier must acknowledge receipt of the order by signing the slip provided for this purpose and returning it within ten (10) days after the order's delivery date.

Starting to execute the order if it has not been expressly accepted previously implies the Supplier's acceptance of these general terms and conditions and the order that was placed.

Notwithstanding the above, NAVEC reserves the right to cancel the order if it fails to receive express acceptance of the order by the Supplier within the established ten (10) days.

Acceptance of the order (expressly or tacitly) by the Supplier implies the acceptance of all these general terms and conditions of purchase, which are an integral part of the order itself.

Contractual documentation means the set of documents comprised of:

- The order accepted by the Supplier;
- Special terms and conditions, when applicable;
- Additions to the special terms and conditions, when applicable;
- General terms and conditions of purchase of NAVEC;
- Offer of the Supplier, where appropriate.

In the event of discrepancies between any of the documents that comprise the contractual documentation, the above will apply in the indicated order unless NAVEC expressly indicates otherwise.

#### **4.- Changes to the order and order increases**

Any changes made to the order must be formalised previously in writing.

The Supplier will be required to inform NAVEC (through the person in charge assigned to the relevant project) whenever the supplied goods exceed the scope and/or the sum of the order, and to request an increase of the current order. The Supplier must maintain the same conditions as those agreed for the original order, particularly, the defined unit prices and delivery deadlines, unless otherwise previously and expressly agreed.

#### **5.- Delivery deadline and delivery terms and conditions of the goods**

The delivery of equipment and/or materials will be carried out on the date, at the place and under the remaining terms and conditions set out in the contractual documentation, without changes, unless expressly accepted by NAVEC.

NAVEC may change the delivery terms and conditions provided written notice is given to the Supplier at least fifteen (15) days before the delivery date. In this case, NAVEC and the Supplier will agree on the new delivery terms and conditions.

Generally (and notwithstanding the provisions of the remainder of the contractual documentation):

- The price of the order includes packing.

- All equipment and/or materials will be packed in such a way that allows for their handling, transport and storage with total guarantee and due regard for the NEF standards (Spanish Packing Standards). Corrodible parts must be protected with suitable substances before packing.
- The Supplier will prepare all equipment and/or materials for their transport following best practices and taking special precautions when needed.
- Incoterm 2010, DDP, will be of application. Consequently, the Supplier will bear (without prejudice to others) all the expenses for the transport of the equipment and/or materials to the agreed point of delivery, assuming all risks for loss or damage.

The goods included in the order which, having been received and inspected at the indicated point of delivery, do not meet the quality standards, dimensions or any others, may be returned to the Supplier. If the supplied goods are rejected, they will be deemed as not made available. The Supplier will bear the expenses for their return.

NAVEC reserves the right to accept the defective supplied goods after a price reduction in line with the verified defects is agreed with the Supplier.

Acceptance is always provisional during the period established in the contractual documentation.

In cases where documentation is needed regarding the goods included in the order in terms of quality (including, without limitation, certificates, procedures, official approvals, etc.), the goods included in the order will be deemed not made available until such documentation has been duly provided to NAVEC.

## **6.- Transfer of ownership**

The ownership title and the risk of loss or damage to the equipment and/or materials will pass from the Supplier to NAVEC upon delivery at the point of delivery agreed in the contractual documentation and in line with the Incoterm specified in the latter.

## **7.- Retention of title**

The equipment and/or materials and/or tooling provided by NAVEC to the Supplier within the scope of the order will remain the property of NAVEC. Moreover, NAVEC reserves the right to avail of them at its sole discretion.

Consequently, in the event of a breach of any of the obligations undertaken by the Supplier and/or in the event that the Supplier is declared under an arrangement with creditors, NAVEC will be fully entitled to recover the said goods, either directly or through third parties, without the Supplier having any right of use, guarantee or retention over the goods.

To this end, NAVEC, directly or through third parties, will have full and unrestricted access to the Supplier's facilities, who will bear all the expenses incurred. NAVEC may deduct the amount corresponding to such expenses from the outstanding invoices to be paid by the Supplier, from the amounts withheld as a warranty deposit, or execute

other warranty deposits delivered by the Supplier, if any, without prejudice to the legal actions that may correspond if such amounts are not sufficient to cover the amount and the compensation for the damages suffered.

## **8.- Prices**

The prices indicated in the order and/or in the remainder of the contractual documentation will be fixed and non-reviewable. Furthermore, no additional charges may be applied, for any reason whatsoever, if they have not been previously accepted in writing by NAVEC.

Following the provisions of article 4 of these general terms and conditions of purchase, the unit prices defined in the order and/or in the remainder of the contractual documentation will remain the same in the event of an increase in the supplied goods, unless otherwise expressly and previously agreed.

## **9.- Invoicing and terms of payment**

Once the goods included in the order have been delivered, the Supplier will issue an invoice in duplicate, including (i) a copy of all the delivery notes (duly signed by the corresponding person in charge of reception on behalf of NAVEC) and (ii) in cases in which the invoicing is drawn up using weight measurements, a copy of the receipt of such weights measured at the point of delivery, which must be within the theoretical weight tolerances; partial invoices are accepted in cases in which this has been expressly agreed.

Each invoice must include (in addition to the required tax information) the associated order number.

The invoice must be sent to the offices of the NAVEC Branch that issued the corresponding order within 10 days from the invoice's date of issue.

Invoices that do not meet the previously established requirements will not be accepted, nor will those that include equipment and/or materials corresponding to more than a single order. Such invoices will be deemed not received for all intents and purposes.

Payments will be made by bank transfer within the following deadlines:

- 90% of the corresponding sum, by bank transfer, within 60 calendar days of delivery of the goods included in the order.
- The remaining 10% will be withheld as a warranty deposit for the Supplier's obligations and liabilities and will be released at the end of the warranty period.

This warrant deposit or price withholding may be replaced by a bank guarantee, according to the template provided by NAVEC, for the equal sum and duration.

If the parties have agreed on advance payments, the Supplier will issue a letter of credit in NAVEC's name for the total sum of the order.

## 10.- Tax

The Supplier will be responsible for all taxes levied on its activity in accordance with the law in force. Where applicable, the Supplier will include in its invoices either Value Added Tax (VAT) or Canary Islands General Indirect Tax (IGIC) for services it renders in the Canary Islands. The Supplier must also comply with all material and/or formal obligations imposed on any taxable person by the law regulating the applicable tax and other provisions in force regarding the Spanish Tax Authorities [*Hacienda Pública*].

In the case of non-resident Suppliers, the corresponding withholding will be applied to the invoice amount in accordance with the law in force.

## 11.- Responsibilities and warranties of the Supplier

The Supplier warrants to NAVEC that:

- a) The goods supplied are free from visible or hidden labour, material, manufacture/construction, operation and/or assembly defects.
- b) The goods supplied are made in keeping with the specifications, drawings, samples and any other description applicable to them.
- c) The goods supplied comply with the contractual or legal requirements regarding quality, environmental protection and prevention of occupational risks.
- d) In its business relations with NAVEC, the Supplier must comply with the legal provisions and regulations in force from time to time regarding tax, labour, social security, health and safety, prevention of occupational risks and the environment.
- e) Additionally:

The Supplier expressly accepts the contents and ethical values set out in NAVEC's Code of Conduct, published on its website [www.gruponavec.com](http://www.gruponavec.com). The Supplier also formally undertakes to implement the Code of Conduct in each of the decisions, processes and activities it carries out in relation to NAVEC and make sure that its suppliers and subcontractors abide by it.

The Supplier (including the persons who may have participated or intervened in any way in the negotiation and/or formalisation of the order) declares that no situation of conflict of interest arises or has arisen in the formalisation of the order. Furthermore, the Supplier declares that there is no financial, family or personal relationship that may have influenced in any way the awarding of the order to the Supplier, the establishing of the financial or performance conditions, or the signing of the order.

The Supplier also declares that, during the negotiations and in the formalisation of the order, it has acted ethically and professionally at all times and undertakes not to carry out any practice that results or may result in the breach of any applicable laws or

regulations regarding corruption in any country whose law is applicable to this order. In this respect, the Supplier declares that, as of the date of formalisation of the order, there has been no promise of payment, commission or consideration from the other party or third persons or entities and that it undertakes not to offer or receive them in the future. Likewise, the Supplier also agrees not to receive or make any promises of payment or gifts to any third parties, entities or NAVEC to enter into or continue its business relations.

Unless otherwise indicated in the contractual documentation, the warranty period will be 12 months from the provisional acceptance or 6,000 operating hours (whichever takes place the latest).

Within the warranty period, the Supplier undertakes to replace, correct, or repair, as soon as possible, any goods supplied which do not comply with the contractual documentation or the requirements previously indicated, free of charge for NAVEC (including, without limitation, main or ancillary costs, material, labour or any other). The Supplier also agrees to extend the warranty period of the goods at issue for the period during which the goods are on a standstill due to the defects for which the Supplier is responsible.

Additionally, the Supplier agrees to warranty the replaced part(s) for a period of 12 months.

In the event that the Supplier fails to comply with the provisions of the above paragraph, NAVEC reserves the right to replace, correct, or repair the defects or faults detected, either by itself or through third parties. To this end, NAVEC may deduct the sum corresponding to such expenses from the outstanding invoices, from the amounts withheld as a warranty deposit or execute other warranties delivered by the Supplier.

The Supplier will indemnify and hold NAVEC harmless from and against any costs, losses, and damages resulting from:

- a) Failure of the Supplier to meet its contractual obligations vis-à-vis its suppliers, contractors, subcontractors, employees, agents or any natural or legal person with whom it has entered into a commitment of any nature.
- b) Any claim or action arising from the sale or use of the goods supplied.
- c) Damage to properties (whomever they may belong to) and/or injury or death of any person(s) (whomever they may be) caused by the Supplier's performance, if any, of installation and/or commissioning work on the goods and/or equipment supplied.
- d) Any claim or action for the breach of intellectual and/or industrial property rights deriving from the use or sale of the goods supplied, in respect of which the Supplier states that it has all the assignments, licences, permits, authorisations and rights of the owners to carry out the order.

## **12.- Inspection and quality**

NAVEC reserves the right to inspect the compliance with the requirements of the contracted equipment and/or material, in any way and at any time, at the facilities of the Supplier and/or its subcontractors.

This inspection, if any, and the tests carried out at the facilities of the Supplier and/or its subcontractors, shall not relieve the Supplier from the responsibility to supply the equipment and/or materials following the applicable specifications and legal requirements, nor from the obligations arising from the warranties provided.

Any documentation related to the goods included in the order in terms of quality (including, without limitation, certificates, procedures, official approvals, etc.) must indicate the order number to which it refers and be sent to the offices of the NAVEC Branch that issued the order before the corresponding invoice is submitted.

## **13.- Health and safety, occupational risk prevention and the environment**

The Supplier will be responsible for the compliance with all legal provisions in force on health and safety, and occupational and environmental risk prevention, and will be obliged to implement them.

During the entire execution of any installation and/or commissioning work on the goods and/or equipment supplied, as the case may be, the Supplier will comply, and will cause its subcontractors to comply fully, with all health and safety, quality and environmental regulations.

The Supplier will inform NAVEC of any circumstances relating to health and safety, quality and environmental matters and accepts full responsibility for any adverse effects arising from its actions, omissions or negligence in such matters.

## **14.- Insurance**

The Supplier has taken out or undertakes to take out and keep in force during the entire term of the order, with insurance companies of due solvency, all insurances policies that it is obliged to take out following the regulations applicable from time to time according to the works and services carried out by the Supplier or its subcontractors in connection with the order.

## **15.- Assignment and subcontracting**

The Supplier may not subcontract nor assign or transfer, neither in whole nor in part, the order or the contract, nor any of the rights and obligations arising from it, without the prior express approval of NAVEC.

In case of authorisation, the Supplier assumes full responsibility for the services it subcontracts with third parties and will be liable vis-à-vis NAVEC for any circumstances arising from the performance of the subcontracted services or any breach of the regulations in force in subcontracting matters.

#### **16.- Penalties**

The Supplier's failure to meet the delivery deadlines will entail the automatic enforcement of penalties for delay at a rate of 2% of the total sum of the order for each week or fraction of a week of delay, up to a maximum of 10% of the total sum of the order.

If the limit of the penalties is reached, NAVEC will be entitled to terminate the order or the contract.

Penalties will be deducted from outstanding invoices or existing warranties.

Penalties are fully compatible with any compensation for damages that may be claimed from the Supplier due to delay or other causes.

#### **17.- Cancellation of the order**

With the express or tacit acceptance of the order, the Supplier accepts that NAVEC may cancel the order at any time without incurring any expenses (including compensation) merely by giving the Supplier written notice if:

- a) The delivery of the goods included in the order is not carried out by the agreed deadline.
- b) There are reasonable doubts concerning the Supplier's ability to carry out the order (especially, but without limitation, in matters of quality and compliance with technical specifications or requirements).
- c) The Supplier fails to comply with NAVEC's Code of Conduct and/or the anti-corruption policy obligations undertaken.
- d) The Supplier fails to comply with other obligations under the order.

In such cases, NAVEC may choose to terminate the order or demand its strict fulfilment with compensation, in both cases, for the damages suffered and for the applicable penalties.

#### **18.- Confidentiality**

All information that NAVEC makes available to the Supplier as a result of the current order, including drawings, models, designs and specifications that NAVEC provides the Supplier, will be deemed confidential. Therefore, the Supplier undertakes not to disclose the information nor give copies or reproductions to third parties without NAVEC's prior and express written consent, except for information that is in the public domain or that is requested by administrative or judicial authorities.

The Supplier will ensure that its employees and professional advisors who have had access to this information fully comply with this obligation.



The Supplier undertakes to treat all information handled and accessed during and after the term of the order confidentially, complying with all the following obligations:

- To use the confidential information only to execute the order.
- To allow access to confidential information only to those employees or professional advisors who need it to execute the order.
- To keep all confidential information secret.
- To have adequate means to ensure the confidentiality of the information.

In no case does the use of the confidential information entail the assignment for the use of patents, licences, copyrights or any other intellectual and/or industrial property rights.

When the order is completed, the Supplier will destroy the confidential information and provide evidence of such destruction if NAVEC requests it.

#### **19.- Data protection**

In compliance with Spanish Organic Law on Personal Data Protection [*Ley Orgánica de Protección de Datos de Carácter Personal*], NAVEC informs that the personal data provided by the Supplier will be included in its automated supplier information files.

The Supplier may exercise the rights of access, rectification, cancellation and objection provided for in the Law by contacting NAVEC at the address stated in the order.

In the event that the order involves the need to access personal data owned by the Supplier, NAVEC, as the processor, is obliged to comply with the Spanish Organic Law on Personal Data Protection and other implementing and applicable regulations. To this end, and if required, the parties will enter into a contract for the processing of data.

In the event that the order involves the need to access personal data owned by NAVEC, the Supplier, as the processor, is obliged to comply with the Spanish Organic Law on Personal Data Protection and other implementing and applicable regulations. To this end, and if required, the parties will enter into a contract for the processing of data.

#### **20.- Industrial and intellectual property**

All intellectual and industrial property rights concerning the information that NAVEC may provide to the Supplier, in whatever medium the information may be found, belong to NAVEC or its licensors and will remain the property of NAVEC or its licensors. The provision of this information does not confer the Supplier any rights, licences or authorisation unless expressly stated in advance and in writing.

The Supplier undertakes to take the necessary measures to prevent the breach of these rights by its employees or subcontractors.

When the order is completed, the Supplier will destroy the information and provide evidence of such destruction if NAVEC requests it.

#### **21.- Applicable law and jurisdiction**

The contractual documentation will be governed by Spanish law.

In the event of any doubt or discrepancy regarding the interpretation or execution of the contractual documentation, the parties waive any jurisdiction that may correspond to them by law and submit to the courts and tribunals of the place of domicile of the branch issuing the letter of order.