

GENERAL SALES CONDITIONS

1.OBJECT OR APPLICATION SCOPE

1.1 The present general sales conditions (hereinafter referred to as "GSC") shall apply to all sales of ESCUBEDO S.A.(hereinafter referred to as the "vendor") concerning tools, equipment, parts, raw materials or any other materials, including services (hereinafter referred to as the "product") carried out in Spain or abroad.

1.2 Any modification of the present conditions has to be negotiated in writing with the Escubedo Sales Department. The GSC herein described will be applicable to those conditions which will not have been modified in writing.

1.3 An order placement entails the acceptance of and submission to the present GSC.

2.OFFER

2.1 Offers submitted by ESCUBEDO S.A. are subject to written confirmation, regardless of the way they are carried out.

3. CONTRACT VALIDITY: PURCHASE ORDER AND PURCHASE ORDER ACCEPTANCE

3.1 The contract will be valid by means of acceptance and confirmation of the purchase orders.

3.2 Purchase orders may be:

3.2.1 **Closed purchase orders:** For the purposes of this GSC, closed purchase order means a P.O, which price and quantities are not subject to variations, and is object of a sole acceptance.

3.2.2 **Open purchase orders:** For the purposes of this GSC, open purchase order means a P.O, which includes a delivery planning subject to variations as may be required by the client in written notice indicating the quantities and delivery dates. It can be validated through partial confirmations according to the variations.

4. PRICE AND PAYMENT CONDITIONS

4.1 Our prices are to be understood EXW EX-WORKS.

4.2 The price for products containing copper is subject to variations depending on the price increase of such raw material. ESCUBEDO,S.A. reserves the right to apply a "COPPER SUPPLEMENT" in its products prices, which will be fixed in the purchase order confirmation.

4.3 Final prices will be detailed in the P.O. confirmation by ESCUBEDO S.A.

4.4 When the production of a determined volume of goods implies the manufacturing of stamping dies and its tools and, therefore, the tools' depositary is ESCUBEDO S.A., the amount of money corresponding to Know-How will not be applied to the die and tools price until the moment when the client demands its delivery. The physical delivery will be carried out after effective payment of a 50% of the price satisfied for the die and tools, in concept of Know-How transmission.

4.5 Payment will be carried out according to the agreed conditions. In no case, the payment of an invoice shall be retained by the buyer under the excuse of a quality or quantity claim.

4.6 In case of non-payment of an invoice, ESCUBEDO S.A

agreed.

4.7 Any delay in payments will entail a debt increasing at the legal interest rate in force, increased by two points.

5. RISK TRANSFER

5.1 The risk transfer will be effective from the moment our products are shipped, regardless of the place of shipment. This will be applicable even in those cases where the goods must be installed by personnel of our company, unless the goods are carried by our staff.

5.2 In the case of stamping dies and tools ordered by a client, for the production of specific parts, such risk will be transmitted from the moment such die or tools are ready for the production of these items, being ESCUBEDO S.A the depositary from this moment on.

6.DELIVERY, INABILITY TO SUPPLY

6.1 Delivery terms and dates will only be compulsory once confirmed in written form by ESCUBEDO. S.A.

6.2 The general delivery terms are agreed for all products; but in the special case of dies or tools, the delivery lead-time will only be valid, and countdown will be initiated, from the moment when ALL the necessary conditions for the effective execution are agreed upon, all documentation is duly accepted by the customer, and ESCUBEDO S.A confirms in writing the availability of all elements for the start-up of the contract execution. The reception of a payment does not entail in any case that the agreed lead-time for delivery starts counting down.

6.3 We shall not be held responsible for any delivery delays due to "*force majeure*", strike, war, lack of material, or analogue circumstances out of our control, releasing us from our liability as to delivery commitments, and leaving us the option of cancelling the contract without previous notice to the buyer.

6.4 We reserve the right to carry out partial deliveries.

7. RETENTION OF TITLE

7.1 Property of the goods will not be transmitted to the buyer until payment of the total amount of the purchased goods is duly satisfied.

7.2 The vendor may demand that the buyer returns the goods sold with retention of title, without allowing an extension of time and without declaring his withdrawal from the contract, in case the buyer should delay the fulfilment of his contractual obligations towards the vendor. The return of goods sold with retention of title will constitute withdrawal of the contract only if expressly declared in writing by the vendor.

7.3 In the case of the processing of goods with retention of title, the buyer shall act for the vendor, without acquiring any sort of claim against the vendor with regard to such processing. Thus the vendor's retention of title shall extend to the products that arise from the processing. When the goods with retention of title are elaborated, mixed or transformed with goods belonging to any third parties, the vendor will be indemnified by the third party with the value of the incorporated goods.

7.4 The buyer undertakes to take good care of the goods to

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them at his own expense and to have them insured to a due and proper extent against loss and damage at his own expense. The buyer assigns herewith to the vendor any claims arising from the insurance policies.

7.5 As long as the buyer properly meets his obligations towards the vendor, he has the right to make such use of the products to which the vendor retains title as is required for the ordinary conduct of business, unless and to the extent that the vendor and his customers have agreed on a prohibition of assignment with regard to the payment obligation. The buyer shall not be entitled to assign the goods as security, to transmit them as guarantee or to encumber them in any other way. When reselling such goods, the buyer may stipulate that the transfer of ownership be subject to full payment for the goods by his customer.

7.6 In order to guarantee all the vendor's rights arising from his business relationship to the buyer, the buyer hereby assigns in advance to the vendor all claims that could arise from the resale of the goods to which the vendor retains title, together with all accessory rights and security interests, including cheques and bills of exchange. If the goods to which title is retained are sold together with other products under a global price, the ownership transfer is limited to a prorata amount invoiced for such goods. If the vendor is co-owner of the goods sold, the assignment is limited to those partial sums established in the invoice as corresponding to the vendor's quota, according to what is established in section 3. If goods to which title is retained are used by the buyer in the processing of goods belonging to third parties in return for payment, he shall assign in advance to the vendor, for the fulfilment of the aforementioned guarantee, the right to claim remuneration from the third parties. As long as the buyer properly meets his financial obligations towards the vendor, he will be entitled to collect for himself the credits arising from any resale or processing. He is not authorised to mortgage, pledge or otherwise encumber the credits.

7.7 If the vendor considers that the credit execution is in jeopardy, he will be allowed to request the buyer to inform his customers of the assignment of his claims to the vendor, and to furnish the vendor with any information and documents required. The buyer hereby undertakes to inform the vendor immediately of any act by third parties affecting the goods to which title has been retained and any claims which have been assigned.

8. PRODUCT QUALITIES

8.1 ESCUBEDO S.A. products are manufactured according to their technical specifications for the fulfilment of the requirements established in the products specification sheet. Commercial drawings or any other sample presented shall not be used as a quality guarantee.

8.2 All information contained in the marketing drawings, samples, catalogues, pamphlets, offers, Websites and other related documents, is for informational purposes, and only refers to the product general description.

8.3 ESCUBEDO S.A. reserves the right to modify any of the above referred product information and specifications.

8.4 In case there is a specific requirement, those modifications which are considered necessary to implement

buyer, in order to comply with the special requirements of the buyer. Such requirements must be approved by ESCUBEDO S.A. and the buyer by means of a written document signed by both parties.

8.5 For technical reasons, in all cases, ESCUBEDO S.A. reserves the right to introduce deviations in the quality, dimensions or other product features provided its functionality is not affected.

9. COPYRIGHT, INDUSTRIAL PROPERTY RIGHTS, KNOW-HOW

9.1 Designs, drawings, samples and models are property of the vendor. The customer hereby accepts the responsibility of not disclosing such documents to third parties without our prior consent in writing. In the case on non-fulfilment of these obligations, the customer undertakes to pay a fine of 10.000 EUR for each particular case.

9.2 In case that the buyer orders the manufacturing of a product according to his own design, drawings or samples, the buyer will be responsible for ensuring that no third party right, patents, useful models or any other property right shall be infringed by this production. The buyer will indemnify us in case of legal complaint or lawsuit presented by any third party against us due to the infringement of such rights, and will take care of any expense arising from our defence in such lawsuit.

10. TECHNICAL ADVICE AND RESPONSIBILITY FOR APPLICATION, USE OR TRANSFORMATION

10.1 The application techniques advice of ESCUBEDO S.A. either in written, oral or by means of tests, is made in good faith to the best of ESCUBEDO S.A.'s knowledge, but must be taken into account only as non-binding information.

10.2 In no case, the advice shall free the purchaser to submit the products supplied by ESCUBEDO S.A. to its own testing process, with the aim of verifying its suitability for the procedures and purposes foreseen.

10.3 The product application, use and transformation are beyond ESCUBEDO S.A.'s control and therefore entirely buyer's responsibility.

11. CLAIMS

11.1 The buyer may file a complaint to ESCUBEDO S.A. about internal or manifest defects, within 30 days following the delivery of the goods; otherwise his claim will be declined. The complaint will always be filed in writing.

11.2 The goods object of the claim cannot be returned without the express consent of the vendor.

12. GUARANTEE LIMITS

12.1 ESCUBEDO S.A. hereby guarantees that the products supplied comply with the technical specifications and are free of manufacturing defaults for a period of one year from the delivery date of the goods.

12.2 During the guarantee period, the buyer is entitled to send ESCUBEDO S.A. the products for repair or replacement due to defect. However, the buyer must previously inform in writing ESCUBEDO S.A. about such incidents in order for ESCUBEDO S.A. to issue the corresponding RMA (Return

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12.3 The products returned in virtue of this guarantee, must be returned in the same conditions as when delivered, not being handled or modified, and in their original packaging.

12.4 Nevertheless ESCUBEDO S.A reserves the right to refuse to repair or replace the products returned in virtue of the present guarantee, whenever such products are not in their original condition or have been handled.

12.5 Out of guarantee products may be repaired or replaced at the buyer's request. In such case, the current repair prices or product prices will be applied.

13.DISCLAIMER OF WARRANTIES

13.1 The present warranty is the sole and exclusive warranty provided by ESCUBEDO, S.A in connection with the products sold. ESCUBEDO S.A. does not guarantee that the product acquired will fulfil the buyer's specific expectations.

13.2 Furthermore, ESCUBEDO S.A does not guarantee the product functionality whenever the processing of the product has not followed in a strict way the process established or the processing equipment indicated in the product specifications.

13.3 It is the buyer's exclusive responsibility to control that the product operation is correct and complete once assembled together with other elements not supplied by ESCUBEDO S.A. (cables, connectors, etc...).

13.4 ESCUBEDO S.A. shall not be responsible in the event of any damage or prejudice caused by the product's use or operation, whether individually or as part of an assembly.

13.5 In case of non-fulfilment of the warranties indicated in the conditions herein the maximum amount covered by ESCUBEDO S.A. will be the amount invoiced for the product supplied.

13.6 By accepting delivery of the products, the buyer frees the vendor from his liability in case of possible claims, complaints, damages or responsibilities, including, without limitation, personal damages, material damages to the property or commercial losses of any kind.

14.PERSONAL DATA

14.1 Personal data referring to the buyer will be incorporated in a database belonging to ESPECIALIDADES ELECTRICAS ESCUBEDO S.A.

14.2 The purpose of such database is the management of clients, orders and payments.

14.3 The buyer may exercise his right to access, verification, GIRONA. SPAIN.

rectification, or cancellation of his personal data by contacting in written form with ESPECIALIDADES ELECTRICAS ESCUBEDO S.A. at our head office address.

15.GOVERNING LAW

15.1 The present contract shall be ruled by the Spanish Laws, specially by the Commerce Code and complementary Laws; the uniform laws on the international sale of movable property and on the conclusion of international sales contracts for movable property – both dated July 17, 1973- and the UN convention on contracts covering the international sale of goods dated April 11, 1980 shall not apply.

15.2 Trade terms as used in commercial practice shall be interpreted in accordance with the currently valid Incoterms.

16.COMPETENT JURISDICTION

16.1 Both parties hereby agree to submit themselves to the competent jurisdiction of the Courts of Gerona, Spain, for the resolution of any conflict that may arise from the present general conditions, from the commercial operations developed in virtue of these conditions, or any other controversy derived from the same, and with express waiver of any other jurisdiction to which they might have recourse.

17. SEVERABILITY

In the case any of the Clauses contained in the Conditions of Sales and Supplies herein were to be declared null or inefficient, whether partially or totally, such nullity or inefficiency will only affect that specific disposition or part of the same which results null or inefficient and the rest of the Conditions of Sales and Supplies will remain valid. Therefore, the null or inefficient disposition will be replaced by another one, which, being valid would approximate as closely as possible to the economic purpose of the null or inefficient disposition.

ESPECIALIDADES ELECTRICAS ESCUBEDO S.A.
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