

NEFAB GENERAL CONDITIONS OF PURCHASE (THE “GENERAL CONDITIONS”)

Valid from 2018-05-25

APPLICABILITY

1. These General Conditions shall apply on all purchases of goods made by NEFAB SAU and/or any of its affiliates (the “Buyer”) from its suppliers (the “Seller”). Deviations from these General Conditions shall not apply unless specifically agreed in writing by authorized representative of the Buyer.
2. It is acknowledged that any affiliate of NEFAB SAU may purchase goods from the Seller on the same terms and conditions as stated herein. NEFAB SAU takes no liability or responsibility for any of its affiliates.
3. The Order (as defined below), these General Conditions, any agreed written specification or any other agreement, promises or undertakings made in writing by the Buyer in whatever form shall constitute the full agreement in relation to purchase of goods by the Buyer from the Seller (the “Contract”). The Buyer shall be bound by no other terms and conditions than those set out in the Contract.

ORDERS

4. A binding Contract shall be deemed to be concluded upon confirmation by the Seller of a purchase order from the Buyer (the “Order”), or, if no confirmation has been issued, upon the expiry of five (5) working days after the Seller’s receipt of the Order. If the Seller would like not to be bound by the Order or if it wants to include any other conditions or change price, quantity or anything else contained in the Order it must clearly inform the Buyer that the Order is refused and also state the reasons therefore. Deviations made in the form of a “confirmation” that does not correspond with the Order are not valid. The Buyer will not be bound by anything contained in the order confirmation made by the Seller if it deviates from the content of the Order, unless the Buyer issues a written confirmation hereof to the Seller.
5. The Buyer may change or cancel an Order in whole or in part.
6. No forecast, provided by the Buyer, shall be considered binding or be interpreted as an undertaking to purchase such amounts of goods from the Seller.

DELIVERY

7. Where a trade term has been agreed, it shall be interpreted in accordance with the INCOTERMS in force at the formation of the Contract. If no trade term is specifically agreed, the delivery shall be DAP Buyer’s location (defined INCOTERMS 2012, as amended).
8. All goods shall be delivered not later than on the date stated in the Order. The Seller is aware that the Buyer may suffer damages as a result of late delivery, even if the delay is only attributable to part of the goods.
9. If the Seller finds that it will not be able to meet the agreed delivery date it shall immediately notify the Buyer thereof in writing, stating the cause of the delay and indicating the date on which it expects to be able to deliver.
10. Should a delivery or part-delivery be delayed, the Buyer shall be entitled to demand that the Seller perform his duties under the Contract, or, if the delay is not insignificant to the Buyer, cancel the Contract upon giving written notice thereof to the Seller.
11. In addition, the Buyer shall be entitled to liquidated damages amounting to 5% of the value of the delayed goods for each commenced business day of delay calculated from the agreed date of delivery to the date of actual delivery. The Buyer shall have the right to set off liquidated damages against the Seller’s invoices. The Buyer is entitled to additional compensation for the cost, loss and damage it suffers due to the delay of the goods to the extent such cost, loss or damage exceed the liquidated damages.

PRICE

12. If no price is stated in the Contract, the Seller shall invoice the Buyer according to the lowest market price at the time of the Order. All prices are exclusive of VAT. The Buyer shall pay applicable VAT and customs duties. The Seller shall pay all other taxes, fees and other levies and charges of whatever nature. The Buyer will not accept any fees or costs for packaging unless agreed to in writing.

PAYMENT

13. The Seller may not issue an invoice prior to delivery of the goods to the Buyer.
14. Payment terms: 60 days net from such date as the Buyer has received a correct invoice according to Buyer’s instructions. Invoices shall state Buyer’s Order number or other clear reference to the Contract.

PACKING AND LABELLING

15. Packing and package shall in accordance with specific instructions from the Buyer. If no specific instructions have been given by the Buyer, the packing and package shall give the protection required to prevent damage to or deterioration of the goods during transport. All goods shall be identified with part and Order numbers or other clear reference to the Contract. The packaging material must be in compliance with environmental regulations, including but not limited to the banned and restricted materials list (http://www.nefab.com/globalassets/nefab.com--group-site/documents/nefab_restricted_material_list.pdf).

All goods must be identified with a label including:

- Nefab Purchase order;
- Supplier delivery note;
- Nefab Item number;
- Supplier Item number; and;
- Goods quantity per pallet/bundle.

WARRANTY AND LIABILITY FOR DEFECTS

16. The Seller warrants and guarantees that the goods will be in accordance with specifications and (i) perform and conform to the terms set forth in the Contract; (ii) be sufficient and suitable for the purposes intended; (iii) comply with any requirements set forth in applicable law, regulations and trade standards; and (iv) be free from defects, deficiencies and non-conformities in production, design, materials and workmanship. Goods not in compliance with the foregoing shall be regarded as defective.
17. The Buyer shall make a general inspection of the goods within a reasonable time after delivery, but has the right to give the Seller notice of any individual defects as they appear to the Buyer, meaning that in each delivery there may be individual defects appearing at different times and occasions and that the Buyer may give notice of such individual as they appear to the Buyer

After receiving such notice, the Seller shall at Buyer’s option:

- a) repair or replace the goods found to be defective as soon as possible after notification;
- b) refund to the Buyer any and all remunerations paid in relation to such goods; or
- c) terminate the Order or the Contract if the defect is not insignificant.

In addition, the Buyer shall be entitled to compensation for the cost, loss and damage it suffers due to the defects of the goods.

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18. Goods returned under clause 17 will be delivered to the Seller at the Seller's expense and risk.
19. Payment of purchased goods shall not be regarded as acceptance of the goods by the Buyer and shall not affect any of the Buyer's rights under clauses 17-18.
20. The Seller shall ensure that its sub-contractors, if any, act in accordance with the Contract in all respects and the Seller shall remain fully liable for each sub-contractor's obligations and liabilities as for its own.
21. The warranties and guarantees of the Seller as stated in clause 16 shall be in force for twenty-four (24) months after the date of delivery of the goods. When defective goods have been remedied or replaced, the Seller shall be liable for defects in such goods under the same terms and conditions as those applicable to the original goods and the time set in this clause counted from the date of remedy or replacement.

PRODUCT LIABILITY

22. Should the purchased goods have a defect which causes damage to persons or to property other than the purchased goods, the Seller shall indemnify and hold the Buyer harmless for any cost, loss or expenses relating to such damage, including legal fees.

INSURANCE

23. The Seller shall maintain adequate liability, including but not limited to product liability, insurance, covering claims up to a maximum of 5 million EURO per claim.

LIABILITY FOR INFRINGEMENTS

24. The Seller shall be responsible for any infringement the goods may constitute in any intellectual property right of a third party and undertakes to indemnify and hold the Buyer harmless for any cost, loss or expenses in relating to any such infringement.

GROUND FOR RELIEF (FORCE MAJEURE)

25. The following circumstances shall constitute grounds for relief if they impede the performance of the Contract or makes performance unreasonably onerous and could not reasonably be foreseen; industrial disputes and any other circumstance beyond the control of the parties, such as fire, war, mobilization or military call up of a comparable scope, requisition, seizure, trade and currency restrictions, insurrection and civil commotion, shortage of transport, general shortage of materials, restrictions in the supply of power and defects or delays in deliveries by sub- contractors caused by any such circumstance as referred to in this clause. The party wishing to claim relief under this clause shall without delay notify the other party in writing on the intervention and on the cessation of such circumstance.
26. Notwithstanding other provisions of these General Conditions, either party shall be entitled to terminate the Contract by notice in writing to the other party, if performance of the Contract is delayed more than three months by reason of any grounds for relief as described in clause 25.

TERMINATION

27. Either party may at any time terminate the Order or the Contracts, with immediate effect and without compensation to the other party if:
 - a. the other party should pass a resolution, or any court should make an order, that the other party shall be wound up or if a trustee in bankruptcy, insolvency, liquidator, receiver, or manager on behalf of a creditor should be appointed or if circumstances shall arise which would entitle the court or a creditor to make a winding-up order, or
 - b) the other party has materially breached the Contract.

ASSIGNMENT

28. The Seller may not assign a Contract or the rights and obligations hereunder without the prior written consent by the Buyer.

CONFIDENTIALITY

29. The Seller undertakes to keep confidential any information relating to the business relationship with the Buyer and will refrain from using the Buyers' name in marketing or otherwise. Any drawings or any other documentation provided to the Seller will be the sole property of the Buyer and the Seller undertakes not to transmit any such information to any third party or to use the information contained in such documents for any other purpose than the due fulfilment of Contract.

CODE OF CONDUCT

30. The Code of Conduct of the Buyer is available at <https://www.nefab.com/en/sustainability/code-of-conduct/>. The Seller acknowledges the Code of Conduct of the Buyer and commits to follow the Code of Conduct as applicable from time to time, as well as incorporate the rules therein in its business. The Seller shall ensure that its sub-contractors, if any, act in accordance with the Code of Conduct. The Seller shall, upon the Buyer's request, demonstrate its compliance with the Code of Conduct. In the event of the Seller's breach of or non- compliance with the Code of Conduct, the Buyer shall have the right to immediately and without any cost or other compensation to Seller terminate the Contract by giving the Seller written notice thereof.

DISPUTES: APPLICABLE LAW

31. Any dispute, controversy or claim arising out of or in connection with these General Conditions and any Contract, or the breach, termination or invalidity thereof, shall be finally settled by arbitration in accordance with the Arbitration Rules of Spain.
32. Spanish substantive law shall apply for these General Conditions and Contracts as well as any disputes relating to these.

NOTICE

33. Any notice required or permitted to be given by either party under the Contract shall be in writing in English and may be sent by registered airmail letter, by e-mail or by personal delivery. Notices shall be sent or given to the other party's appointed representative.

COMPLIANCE OF ENVIRONMENTAL LAWS AND REGULATIONS

(APPLICABLE TO SELLERS THAT PERFORM SUBCONTRACTED WORK IN BUYER'S FACILITIES OR ON BEHALF OF THE BUYER)

34. The Supplier is obliged to implement and to comply with any and all from time to time applicable environmental laws and regulations associated with the performance of activities in relation to waste management, air emissions, noise or spills, demanding compliance in any work carried out on the Buyer's or its customers' facilities.

HEALTH AND SAFETY

(APPLICABLE TO SELLERS THAT PERFORM SUBCONTRACTED WORK IN THE BUYER'S FACILITIES OR ON BEHALF OF THE BUYER)

35. The Seller shall provide safety personnel and security elements required to carry out the relevant work.
36. The Seller shall obtain the appropriate permissions for entry into work areas and the relevant facilities of the Buyer from the

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- person in charge at the facility, without whose approval the Seller shall not initiate any work. The Seller shall also at all times fully comply with the instructions given.
37. Before any work is started and on a daily basis, the Seller shall submit to the Buyer's person in charge at the facility a nominal list of staff who will enter the facility for or on behalf of the Seller in execution of work under a contract. If workers do not change during the contract, initial presentation of this information shall be considered sufficient.
38. If the Seller requests third company's services to develop works under contract, the Seller shall inform and get the prior approval from the Buyer, and the Seller shall thereafter establish appropriate coordination. The Seller will be fully liable and responsible for any work or action by such third company and its staff, and shall enforce in relation to the third company the instructions, standards and work procedures, laws, regulations and contractual provisions applicable from time to time.
39. 39. The Seller shall, and shall procure that its employees and representatives, at all times fully observe any and all instructions, standards and mandatory work procedures to be applied at the Buyer's or its customers' facilities, and laws, regulations and contractual provisions applicable from time to time.
40. Expressly, the “Seller” declares to know Legal Norms and Application Instructions regarding Occupational Health and Safety.
46. Should the Seller under applicable law be considered as a personal data processor on behalf of the Buyer, the Seller undertakes to take appropriate technical and organizational measures to protect the data as required by applicable law, and to only process the data in accordance with the Buyer's instructions.
47. In accordance with the provisions of Article 13 of Regulation (EU) 2016/679, the data provided by the “Seller” will be processed by NEFAB, S.A.U., with address in C/ Gutenberg, 23, P.I. El Lomo 28906 Getafe – Madrid (Spain), in order to properly manage the existing commercial relationship between the parties. The personal data will be kept as long as the basis that legitimizes the relationship that binds the parties is maintained and, once extinguished, will be kept for the legally required deadlines. The data will not be transferred to third parties without prior consent, except legal obligation or communication necessary to comply with the relationship. The “Seller” can exercise its rights of access, rectification, deletion, data portability limitation or opposition by contacting us via e-mail privacy@nefab.com. If you wish additional information, please contact us via e-mail privacy@nefab.com. In case of divergences the “Seller” can file a claim with the Spanish Agency for Data Protection (www.aepd.es).

For more information, see “[Information to Business Partners](#)”.

LEGAL AND OTHER QUALITY STATEMENTS AND REPORTS

41. The Seller shall provide the Buyer with any and all statements and reports required according to applicable laws and regulations related to an Order or Contract, such as license, authorizations or statements of compliance. Mentioned documents will be considered as mandatory for invoicing of supplied products and services under an Order or Contract.
42. 41. The Seller shall provide the Buyer with any and all documents regarding technical features of supplied products and services under an Order or Contract, including but not limited to those concerning quality and compliance according to an Order or Contract.

AUDITS

43. 42. The Buyer is authorized to perform audits of the Seller's facilities and/or production processes in order to verify that supplied products and services under an Order or Contract comply with agreed quality requirements and the provisions of the Contract. The Seller may request from the Buyer information about the results of the audit, and shall be entitled to present evidence against potential non- conformities. The Seller shall establish appropriate corrective and preventive actions to correct any defects found which could lead to deviations of supplied product or service quality.

DATA PROTECTION

44. Data subject to data protection law provided by the Buyer will be processed by the Seller in order to manage the existing business relationship between the Buyer and the Seller, to provide the products and services under an Order or Contract. Data will be considered as confidential and used only by the Seller. Personal data shared by the Buyer shall remain owned by the Buyer and the Seller remains solely responsible for that it has the right to process the data as set out herein.
45. The Seller shall only process the data in accordance with applicable law. Upon written request the Seller shall correct any data that is incorrect, incomplete or misleading. The Seller will also, once per year and free of charge upon written request, give information on what personal data that is processed about the requesting registered company or person.