

## **FAED BUSINESS GROUP GENERAL CONDITIONS OF SALE**

### **1. Introduction.**

These conditions of sale (the 'Conditions') are an integral part of all offers and agreements regarding the sale of goods and services by FAED BUSINESS GROUP (the 'Goods'). Amendments to the Conditions will only be valid if confirmed in writing by FAED BUSINESS GROUP. Any condition specified by the Buyer, whether in an order or by any other means, will be rejected and will only be effective if accepted by FAED BUSINESS GROUP in writing.

Amendments made to these general conditions of sale by FAED BUSINESS GROUP will not affect contracts that have already been signed. It will not be necessary to communicate these general terms and conditions to customers each time a contract is executed. It is sufficient to communicate them only once, as they are the same for all transactions unless otherwise agreed in writing.

Under all circumstances, and so that the client cannot allege a lack of communication of these Conditions, they are made available at the offices of the company FAED BUSINESS GROUP, located at Polígono Industrial de Requejada, Parcela Z-26, 39.313, Polanco (Cantabria, Spain), and at the URL [www.grupofaed.com](http://www.grupofaed.com)

### **2. Confirmation of orders.**

FAED BUSINESS GROUP will confirm the Buyer's orders by means of an order confirmation. An agreement for the sale of Goods and/or Services will only be signed once an order confirmation ('Confirmation') has been issued by FAED BUSINESS GROUP.

Once the order has been confirmed, no changes to the design, materials and/or production process will be accepted, unless otherwise agreed.

The customer does not have the right to request a deferral of the execution and/or delivery of an order without the express consent of FAED BUSINESS GROUP. In the event a deferral is agreed upon, the customer will pay all fees and costs (storage, financial, administrative, labour, price increase of raw materials, etc.) caused by the deferral. These costs will be paid by the customer immediately upon receipt of the corresponding invoice from FAED BUSINESS GROUP.

Orders are only final once they have been accepted in writing by FAED BUSINESS GROUP, and under the particular conditions that, where applicable, are indicated in the confirmation document. FAED BUSINESS GROUP is only bound by the commitments made by its representatives or employees after their acceptance in writing.

### **3. Specifications.**

The order will include a technical specification document defining the parts to be manufactured in all respects, as well as the type and extent of control, inspection and tests

required for acceptance. In the event that no specification is agreed upon, the Goods will comply with FAED BUSINESS GROUP's general specifications at the time of delivery.

Statements contained in the product information, manuals, websites, price lists or other information relating to the Goods will only be binding for FAED BUSINESS GROUP if they are expressly referred to in an offer, an Order Confirmation or an agreement.

#### **4. Models and tooling.**

The models and manufacturing tools provided by the customer will be free of charge, and the customer is responsible for ensuring that they correspond exactly to the design and specification documents. In the event that FAED BUSINESS GROUP considers it necessary to make any amendment, the cost will be borne by the buyer. FAED BUSINESS GROUP is not responsible for the costs of replacing models that can only be used once and that are lost in the event of rejection within the framework of normal manufacturing risk. The buyer is obliged to either provide FAED BUSINESS GROUP with a new production model as a replacement, or to pay FAED BUSINESS GROUP for its production.

When the contract stipulates that the customer only contributes to the tooling costs by a certain amount, the tooling and designs generated for these by FEAD BUSINESS GROUP are the property of FAED BUSINESS GROUP. If the customer sends an order for the tools necessary for manufacturing, these tools will be the customer's property. However, the customer cannot take possession of them until all outstanding invoices have been paid to FAED BUSINESS GROUP, including those corresponding to studies, designs, patents, know-how, etc.

The customer is responsible for the models and manufacturing devices that it owns. It is the customer's obligation to insure them against deterioration and destruction in FAED BUSINESS GROUP's production process. No claim should be made to FAED BUSINESS GROUP in this regard.

#### **5. Delivery of goods.**

##### **5.1 Acceptance of the service provision or delivery of goods.**

The supply of parts is always understood as 'Ex Work', unless otherwise stated in FAED BUSINESS GROUP's offer.

If details about the destination are missing, or if the delivery is not possible, the delivery will be considered to have been made when FAED BUSINESS GROUP declares the goods ready for shipping at its premises. The parts will then be invoiced and stored at the buyer's own risk. The risk is transferred to the buyer at the time of delivery under all circumstances.

##### **5.2. Delivery date.**

FAED BUSINESS GROUP may divide the delivery into separate lots. If no delivery date has been agreed upon, delivery will be made according to FAED BUSINESS GROUP's capacity planning. Delivery will be made at the FAED BUSINESS GROUP plant, Ex Works – EXW Incoterms 2020, unless a different Incoterm is agreed upon.

### **5.3. Volume adjustment.**

In the event that the quantity of Goods is agreed upon based on weight, the price to be paid will be according to the actual weight. The weight indicated on the delivery note or invoice by FAED BUSINESS GROUP will be considered correct unless proven otherwise.

Complaints regarding weight discrepancies must be based on the actual weight. The complaint must prove that the test has been repeated on two occasions, and must be accompanied by a certificate of calibration for the scale used. FAED BUSINESS GROUP will have a period of 72 hours to conduct a direct verification at the customer's premises, during which time the customer may not dispose of the goods.

### **5.4. Delay in delivery.**

The binding nature of the delivery period must be established in the contract. Without this precise definition, the delivery time is considered to be an indication only.

Any unforeseen event such as a lack of raw materials, insufficient labour, transport delay, strike or any other reason not attributable to FAED BUSINESS GROUP, including cases of force majeure, will not entail any liability on the part of FAED BUSINESS GROUP.

Nor will the delay be attributable to FAED BUSINESS GROUP when the delivery time is extended due to the customer providing inaccurate data, making changes to the original order, or being delayed in its contractual obligations, especially those relating to the delivery of the documents necessary to carry out the transaction or the agreed payments.

### **5.5. Limited liability.**

The customer has no right to compensation other than that established above, attributable to any delay in the delivery of Goods.

All transport, insurance, storage and maintenance operations that do not take place at the premises of FAED BUSINESS GROUP will be at the expense and risk of the customer/buyer, even if transport management is also contracted. FAED BUSINESS GROUP will not be liable for any material damage caused during transport when these services are provided by a third party.

## **6. Defective goods and shortages (insufficient parts).**

### **6.1. FAED BUSINESS GROUP guarantee.**

FAED BUSINESS GROUP guarantees that the Goods delivered are free from defects (damage) and correspond to the quantity agreed upon when the risk of loss and damage of the Goods was transferred to the customer in accordance with the agreed-upon Incoterm ('Date of

Transfer of Risk'). Goods will only be considered defective if they do not comply with the specifications previously stipulated in Clause 3. FAED BUSINESS GROUP will not be liable for any function, quality or property of the Goods other than those expressly stipulated. All possible implied terms, whether by law or relating to quality or fitness for intended purpose, are hereby excluded.

The guarantee is strictly limited to the quality and quantity of the product supplied, provided that the claim is made under the terms described in these general conditions. Claims for indirect damages will not be accepted.

The guarantee is not valid for: (i) Damage to goods, persons and in general all damage caused by a defective part if the buyer subsequently uses it without having carried out all the controls and tests required at its destination; (ii) Damage to goods, persons and in general all damages caused by a defective part, if the defect is due to the unit into which it is incorporated, or due to instructions from the customer to FAED BUSINESS GROUP and to all work or modifications carried out on the part after it has been supplied; (iii) The costs of operations to which the parts have been subjected before being put into service, especially machining, treatments and controls that lead to serious defects, provided they are not due to a serious error on the part of FAED BUSINESS GROUP; (iv) The costs for assembly, disassembly and removal of these parts by the customer.

## **6.2. Buyer notification.**

Complaints about defects, errors or discrepancies in relation to the material supplied must be reported immediately upon their arrival at the destination or upon receipt, whatever the reason may be, with the sole exception of those relating to composition or alloy. Given the characteristics of the product delivered, the only complaints that will be taken into consideration are those submitted in writing within 24 hours of the arrival of the Goods, accompanied by receipts, photographic evidence, packing notes and stating the number and date of departure and delivery. The Goods that are the subject of the complaint can only be returned with the express consent of FAED BUSINESS GROUP.

If notification is given after the dates indicated above, FAED BUSINESS GROUP will not be obliged (liable) to carry out any repairs or make any price reductions in relation to defects or shortages of the Goods.

For cast parts, as an exception to the general rule, claims for product composition must be made within 15 days of receipt, and will only be considered if the discrepancy is based on the 'spark emission spectroscopy' method of analysis. If the claim is accepted, the customer must send the sample or set of samples analysed for counter-analysis. Once the material is received, FAED BUSINESS GROUP will have a period of 3 days to perform a counter-analysis using the same method. If the reason for the complaint is confirmed, the product will be replaced or an agreement will be reached between the parties in order to resolve the problem. In the event of a discrepancy, the customer must submit a third analysis from an independent accredited laboratory confirming the grounds for the complaint.

If the customer requires checks prior to delivery of the Goods, the customer must expressly state this in the purchase order. Checks may be carried out at our facilities and by our staff, by staff appointed by the customer, by third parties or expert consultants. The costs of these checks will be borne by the customer. The maximum period in which to carry out the

checks is established as 5 working days from the date it is reported. Once this period has elapsed, FAED BUSINESS GROUP will carry out the checks. The material declared suitable in the checks may not be subsequently rejected, meaning FAED BUSINESS GROUP reserves the right to make deliveries regardless of the reservations put forward by the customer.

### **6.3. Reparation.**

In the event that there is any defect in the Goods that falls under the responsibility of FAED BUSINESS GROUP, in accordance with these Conditions, it will fall to FAED BUSINESS GROUP to correct the defect or deliver replacement Goods. In the event of a shortage in the delivery, FAED BUSINESS GROUP will deliver the missing quantities. The delivery of new or missing Goods will be done within a reasonable time frame, i.e. that required by FAED BUSINESS GROUP to manufacture new Goods (if necessary) and transport them to the destination. Defective Goods will be returned to FAED BUSINESS GROUP alongside delivery of the new Goods. Instead of remedying a defect or shortage, FAED BUSINESS GROUP may reduce/credit an amount equal to the price of the defective or missing Goods to the price of the new Goods.

Under no circumstances will FAED BUSINESS GROUP's liability exceed the value of the Goods. FAED BUSINESS GROUP is released from all liability above this maximum, even when caused by its own negligence or breach of its obligations.

### **6.4. Limited liability.**

Except for the remedies and compensation stipulated above, the customer is not entitled to any compensation or reparation in relation to any defect in or shortage of the Goods, except in case of gross negligence on the part of FAED BUSINESS GROUP.

### **7. Force majeure.**

FAED BUSINESS GROUP will not be liable for any delay or failure to fulfil its obligations when this delay or failure arises from an impediment beyond its reasonable control, including, but not limited to:

- Wars, epidemics and pandemics, terrorism, fires, explosions, floods, extreme weather conditions, major machinery breakdowns, strikes, lockouts, labour disputes, union disputes, refusal to grant licenses.
- The impossibility of acquiring raw materials, equipment, fuel, transportation.
- Imposition of/submission to: a law, regulation, decree, order or request from any authority (national, state, autonomous community or municipal).

FAED BUSINESS GROUP's delay or failure to fulfil obligations due to Force Majeure will not constitute breach of contract, meaning it will be exempt from liability and any other contractual reparation for breach of contract during the period in which the cause of the Force Majeure continues to exist. The period to fulfil the obligations will be extended for a period equivalent to the duration of the Force Majeure.

If the customer is affected by Force Majeure, it will not be released from any of its obligations to accept and pay for shipments made by FAED BUSINESS GROUP prior to notification of the situation of Force Majeure (both in terms of Goods already received and

those in transit). Nor may the customer invoke Force Majeure to delay payment of any amounts due.

#### **8. Cancellation of the order and compensation.**

In the event that the customer cancels a confirmed order for reasons not attributable to FAED BUSINESS GROUP, the customer will pay FAED BUSINESS GROUP for all work in progress up to the date of cancellation, including any subcontracting costs incurred, the amount FAED BUSINESS GROUP could have earned by fulfilling the order, plus additional compensation for the loss of opportunity, which is set at 10% of the amount of the cancelled order.

#### **9. Payment.**

Unless otherwise agreed upon and stated on the invoice or order confirmation document, all transactions will be paid prior to shipping, and will be paid via bank transfer to the bank account indicated on the invoice. Payments must be made in full, and compensation that has not been authorised by FAED BUSINESS GROUP will not be accepted.

In the event of non-payment, the debt will increase due to interest for delayed payment, in accordance with Law 3/2004 of December 29, which establishes measures to combat delayed payment in commercial transactions, without prejudice to any compensation for collection costs that may apply, for which the party who has failed to pay will be liable. In the event of delayed payment, the payment of any outstanding customer invoice will be immediately due, even in the case of promissory notes or accepted letters, and FAED BUSINESS GROUP will be granted the right to immobilise the remainder of orders or pending orders, without prejudice to the right to exercise the actions it considers suitable for collection. In this case, FAED BUSINESS GROUP may require payment in cash prior to shipping any new delivery, whatever the conditions previously agreed upon, and may also suspend or cancel any order in progress. During the execution of a contract and before delivery, FAED BUSINESS GROUP reserves the right to demand guarantees proportional to the size of the credit granted or to be granted.

The same will occur in the event that partial or total deferred payment is agreed upon, and non-payment occurs at maturity.

The exchange document or, in its absence, any other formal payment document stipulated for the payment of the contractual obligations contracted between both companies must be sent to FAED BUSINESS GROUP at the time the invoice is issued. Delayed delivery is considered a breach of contract.

#### **10. Prices.**

Prices may be subject to internal variations or variations derived from external factors. Costs caused by variations of orders in progress will be charged to the customer.

Transport and packaging are not included in the price, unless otherwise agreed upon.

The agreed prices are understood to be net of taxes and duties. FAED BUSINESS GROUP will not be held responsible for any obvious miscalculation or misprint, and FAED BUSINESS GROUP will assume no liability or responsibility for the error.

#### **11. Confidentiality and intellectual property.**

Unless otherwise agreed upon, FAED BUSINESS GROUP will not design the manufactured parts. However, the contract may specify that FAED BUSINESS GROUP may design all or some of the parts under the condition that the customer remains responsible for the design according to the purpose of use sought by the customer. Therefore, FAED BUSINESS GROUP's proposals that are approved by the customer, and that are aimed at improving technical efficiency, economic optimisation or needs related to the manufacturing process, in no way entail a transfer of responsibility to FAED BUSINESS GROUP.

By supplying parts or components, the customer does not acquire any property rights over FAED BUSINESS GROUP's previous studies, software, research or patents.

Both parties agree not to disseminate, transmit or disclose to third parties any information to which they may have had access as a result of the business relationship, which may consist of: personal, professional, economic and technical data and know-how of the companies; data relating to business structure, methodologies, procedures, products, patents, trademarks, customers or projects; and any other non-public information. Failure to comply with this obligation may lead to a legal claim for appropriate financial compensation.

The same applies to studies that FAED BUSINESS GROUP proposes to carry out in order to improve the quality or reduce the cost of parts by modifying the original technical conditions.

The price of manufacturing tools built by FAED BUSINESS GROUP does not include the value of FAED BUSINESS GROUP's intellectual property in relation to these tools, in other words, its contribution to research, patents or know-how applied to manufacturing. The same is valid for any possible adaptation made by FAED BUSINESS GROUP to the tooling sent by the customer to ensure the correct manufacturing of the parts.

The customer may not use FAED BUSINESS GROUP's studies for their own purposes, or disclose them before having expressly acquired ownership thereof.

#### **12. Data protection.**

The customer guarantees that it has implemented the necessary security measures, both organisational and technical, to ensure the security of any personal data that may be made available as a result of this business relationship, and to prevent it being altered, lost, misused and/or accessed without authorisation.

#### **13. Entire agreement.**

These Terms and Conditions, the Confirmation with its annexes and any other agreement confirmed in writing constitute the entire agreement between the parties (the 'Agreement'). The Agreement will supersede any prior or contemporaneous negotiations,

commitments or agreements between the parties in relation to the Goods covered by the Agreement, whether written or oral.

In order to be legally effective, any amendment to the terms contained in these conditions must be adopted in writing, signed by both parties and expressly incorporated into the contracting documentation, in which case it will be valid only for a specific order. For an agreement to be generally valid for all transactions with a customer, it must be established in a written contract containing the specific terms and conditions agreed upon with that customer.

In the event that any of the provisions contained in this document are considered to be void, illegal or unenforceable in any respect, the validity of the remaining provisions will not be affected or impaired in any way thereby. To this end, the customer commits to accept the replacement of the provisions declared null, illegal or unenforceable with other valid provisions, the economic consequences of which are as close as possible to those of the affected provisions.

**14. Waiver.**

Failure to exercise any right, power or privilege granted by these conditions will not imply waiver thereof. Neither party will be considered to have waived any right, power or privilege unless such waiver has been duly expressed in writing and acknowledged by the other party. The waiver of a specific right will not imply the waiver of any future rights, even if they are of the same nature.

**15. Notifications.**

Notifications, authorizations, consent and other communications related to this Document: (i) must be made in writing, (ii) will be sent by any means that accredits the content and date on which the notification is sent, and (iii) will be deemed to have come into effect on the date of sending.

They will be valid and effective for all purposes when delivered to the address indicated by the customer. For these purposes, the customer declares that all information provided thereby is true and correct, and the customer commits to communicate any changes regarding address, billing information and any other information necessary for the management and maintenance of the contractual relationship to FAED BUSINESS GROUP.

**16. Applicable law.**

The contract will be governed by Spanish law.

**17. Litigation.**

Any litigation, controversy or complaint arising out of or in connection with the Agreement will be subject to the jurisdiction of the Courts of Torrelavega, Cantabria, Spain.

**18. General limitation of liability.**

Under no circumstances will FAED BUSINESS GROUP be liable for any special, indirect, unforeseen or consequential loss or damage including but not limited to loss of profit, loss of



production, loss of sales or any other complaint by the customer. This limitation will not apply in the event of gross negligence or wilful misconduct. FAED BUSINESS GROUP will not be liable and will not admit any type of claim if the notification is made more than one year after the date of transfer of risk (date of delivery of the Goods or of the service provision).

Date:

Customer:

Tax ID No.:

Representative:

Tax ID No.:

Customer Stamp and Signature:

**Note: Sign and stamp these General Terms and Conditions on all pages.**