

**GENERAL SALES CONDITIONS****1. General.**

Sales and supplies to be made by SACOME shall be governed by these Terms and Conditions, otherwise it was agreed differently, in the respective quotation or acceptance of order (Acknowledgement of Order).

It is considered that these Terms have been communicated to Purchaser when they receive the quotation from SACOME, with or without these conditions attached. Alternatively, Purchaser can be considered as reported, if a long-term relationship exists with SACOME or if they were sent previously for other reasons.

**2. Intellectual and industrial proprietary rights.**

Studies, projects, plans, calculations, software and any additional information provided to the Client is the exclusive domain of SACOME. The Customer must remain confidential and have it always available to SACOME, and also to prevent the transfer of such information to third parties.

**3. Formalization of orders and scope of supply.**

The scope of supply shall be clearly specified in the order of Purchaser. To be considered effective, the order must receive an express acceptance by SACOME [Acknowledgement of Order], except in cases where, given the supply on a regular basis by mutual agreement, this requirement has been eliminated.

Scope covers only equipment and materials subject of the order, except for cases in which the Purchaser's order, which had been accepted by SACOME, explicitly includes any documentation, information, support or additional service.

Weights, dimensions, capacities, specifications and configurations relating to products of SACOME included in catalogs, brochures, leaflets and literature, are only indicative and not binding, except where SACOME accepts a Purchaser's specification, the which must be part of the ordered documents.

Alterations and / or changes in the scope of an order must be reported to SACOME always in writing and to be valid, they must be expressly accepted by SACOME.

**4. Prices.**

Supply prices are net, excluding VAT, or any other tax, fee or charge, which will be applied later in the bill with the corresponding rates. Except where otherwise stipulated in the order, or agreed upon between the Purchaser and SACOME, derived from their business relationship.

Prices do not include transport supplies, or charges or insurance and are considered in terms of delivery SACOME EX WORKS INCOTERMS 2010. These prices are valid only for ordering all the materials specified in the tender.

Prices quoted are valid for one (1) month, unless another validity is clearly specified, and during this period will be considered as fixed payment terms specified in the quotation, unless the supply consists of imported equipment quoted subject to change contingencies currency or payment of fees and charges, in which case the quotation price would be adjusted according to these variations. The prices quoted in the tender are given for the payment terms specified in the tender. If these payment terms were changed, the quotation prices would be revised.

Once the order is accepted by SACOME, supply prices are considered fixed and not subject to revision. However, a prices revision will be applicable if:

- Such price revision was agreed between SACOME and the Purchaser.
- Delivery or acceptance was delayed because of cause directly or indirectly attributable to the Purchaser.
- The scope of supply was changed with regard to the Purchaser's initial order.
- In the event the Purchaser had placed the order in a currency other than Euro, the variation of the exchange rate experienced by such currency against Euro, since order date up to invoicing date of each contract installment, motivate a prices revision accordingly.

**5. Payment Terms.**

SACOME's quotation or, the Purchaser's order accepted by SACOME, shall include the payment terms of supply. May also be used pre-payment terms specified in the framework of a continuous commercial relationship agreement between the Purchaser and SACOME. Payment will be made by the Purchaser to the invoice due.

Payment will be made under agreed conditions in SACOME bank account or some other agreed procedure. Payment may be made without any deductions such as not agreed deductions, discounts, expenses, taxes or fees, or any other.

If, through no fault of SACOME, delivery would be delayed, assembly or commissioning or receipt of supply, the agreed payment terms will remain.

In case of late payment by the Purchaser, he must pay SACOME, without any requirement whatsoever and from the payment due date, default interest of late payment, calculated using a rate of interest in delay period equal to EURIBOR (Euro intervened quotations art) for one month deposits increased by 3 percentage points and take the one published by the Federation of European Banking and Financial Markets Association (ACI), the second business day preceding the day of beginning of the period of interest thereon. The payment of such interest does not relieve the Purchaser to make the remaining payments in the agreed terms.

If the Purchaser is overdue in payments agreed, SACOME may suspend delivery of supplies or performance of services associated with it. This is without prejudice to the Purchaser requirement of all overdue payments and additional compensations to be claimed.

The formulation of a claim by the Purchaser, shall not entitle it to the suspension or deduction of the involved payments.

SACOME reserves the right to ownership of the goods supplied until the Customer has paid all amounts due for any reason.

**6. Term and conditions of supply.**

The delivery time refers to the material placed in the position and conditions stated in the acknowledgement of order. If not differently specified, will be considered in delivery terms EX WORKS SACOME INCOTERMS 2010. For the deadline requirement, Purchaser shall strictly comply with the payment schedule.

The delivery time will be amended when:

- a) The Purchaser fails to deliver documentation required for the execution of supply.
- b) The Purchaser requires modifications, accepted by SACOME, and that, according to the opinion of SACOME, such modifications require an extension of the deadline.
- c) To carry out the supply, it was essential to the performance of work by the Purchaser or its subcontractors and they have not been implemented on time.
- d) The Purchaser has failed to fulfill contractual obligations of order, especially with respect to payments.
- e) For reasons, not directly attributable to SACOME, delays in production or disposal of all or some of the elements of supply. In an illustrative, but not limited, the following causes of delay: strikes by suppliers, transport and services, failure of third party supplies, faulty transport systems, floods, storms, riots, strikes, work stoppages or staff SACOME its subcontractors, sabotage, accidental stops SACOME workshops for breakdowns, etc., and any cause that can be considered as a matter of force majeure as provided in Section 1105 of the Civil Code.

In all the above mentioned cases b), c), d), and e) the delay in the deadline will not modify the payment schedule of supply.

In the event of a delay in delivery of equipment and materials, covered by the order directly attributable to SACOME, Purchaser will apply the agreed penalty, if any. Such penalty will be the only possible action for damages for delays.

**7. Packaging, transport.**

Unless prior agreement with the Purchaser, packaging equipment and materials delivery will be an additional charge on the sale price, not admitting the return of the same, according to RD 782/98 of April 30, Article 18, Law 11/1997 of April 24, on Packaging and Packaging Waste, as a terminal of our packaging is the responsibility of Purchaser to give the best environmental treatment (assessment, reuse or recycling).

Unless prior agreement with the Purchaser, transportation including loading and unloading will be carried out at Purchaser cost, risk and expense. SACOME is unrelated to any claim for damage or impairment of supply, being at Purchaser's assumption of those risks.

If equipment is ready to be supplied or, alternatively, pending of tests agreed, and the Purchaser are not collected or does not reach an agreement with SACOME to be stored on site under conditions agreed upon, all charges for storage (SACOME evaluated criteria) shall be covered by Purchaser, who also bear all risks relating to the stored material.

**8. Inspection and reception.**

Except where specified by the order, inspection and testing during production and final pre-shipment inspection of supply will be made by SACOME. Any additional testing required by the Purchaser shall be specified in the order, relating to the applicable law and the place and institution, if any, which carried out these tests. These additional tests must have the approval of SACOME and they will be at Purchaser's expenses and costs.

On expiry of 15 days from material reception by the Purchaser, without SACOME had received any written communication on defects or faults, it's understood material as accepted. Warranty period starts from that moment.

**9. Return materials. Claims.**

Under no circumstances, SACOME accept returns of materials without prior agreement with the Purchaser. In any case, the claims of the Purchaser shall be in writing to SACOME.

Returns or material shipments to SACOME facilities must always be free house.

SACOME will not accept returns of products designed or manufactured specifically for the order.

**10. Warranties.**

Unless expressly stated in the quotation or acknowledgement of order, SACOME guarantees the products which have been supplied with regard to defects in materials, manufacture or workmanship for a period of one (1) year, counted since the reception date, it is explicit (overcoming acceptance testing, agreed between SACOME and the Purchaser and sending letter of acceptance of supply) or implied (15 days after shipment to Purchaser, without written notice stating some objection to SACOME) or 18 months from the date it was notified that the supply is available for shipment, whichever is earlier.

Application of warranty consists of repair or replacement (at the discretion of SACOME) of the elements that are recognized as faulty, due to material defects, manufacturing defects or assembly. Repairs are understood to be carried out at SACOME facilities in Cartagena (Spain), being at Purchaser's expenses dismantling, packing, loading, transport, customs, taxes, etc. Nonetheless, it could be agreed between SACOME and the Purchaser that the repair and/or replacement of the faulty item were carried out at the premises of the Purchaser.

In no case, SACOME will pay for repairs made by anyone other than its own organization.

Warranty excludes damage or effects due to wear from normal use of the equipment. Moreover it is excluded from the guarantee, which is also considered invalid, the damage and defects caused by wrong preservation or maintenance, storage and improper use or neglect, abuse, use of improper fluids and gases flow or pressure and inadequate, defective assemblies, variations in power quality (voltage, frequency, disturbances, ...) changes in the supply without approval of SACOME, installations made or amended thereafter without following the technical instructions of the product and in general any reason not imputable to SACOME.

Also, warranty is considered as expired, if in case it has been stipulated the implementation of supply with the assistance of SACOME staff, implementation is carried out without this assistance or in case of damage not taken measures to mitigate damage.

Notwithstanding the preceding paragraphs of this clause, SACOME will not be liable for defects in materials and equipment supply order for a period exceeding 1 year from the start of the deadline.

**11. Corrosion.**

It's well-known that behavior of materials in service in front of corrosion mechanisms can be deeply affected due to small changes on environment conditions. Changes in temperature or acidity, presence of traces of elements as halides, concentration conditions, evaporations or condensing, and velocity of fluid on surfaces, can affect corrosion resistance of materials.

In addition, operation conditions and correct application of maintenance specifications can affect to corrosion resistance of materials as well.

All factors mentioned before, added to operation and maintenance conditions control are fully under responsibility of user. In this way, SACOME doesn't accept any responsibility or guarantee, neither individual nor collective, due to inappropriate behavior or damages produced by their products, in its name or under other names, with regards to corrosion resistance of materials.

**12. Disclaimer.**

SACOME responsibility and its agents, employees, subcontractors and suppliers from all claims arising from performance or breach of its obligations (including active and passive negligence), shall not exceed a set of contractual base price and will not include in any damages arising from loss of profits, loss of income, energy use, cost of capital, downtime costs, delays, customer complaints to Purchaser, the replacement costs of energy, loss of savings anticipated, increased costs exploitation and harm any special, indirect or consequential damages and losses of any kind, whether on a contractual basis, extra contract - including active and passive neglect - of warranty, strict liability or otherwise.

**13. Export Restrictions.**

Some of the products supplied by SACOME may be subject to export control regulations. For this reason, the items supplied to Purchaser shall not be exported directly or indirectly by Purchaser or any third party without the prior written permission of SACOME. Purchaser is responsible for compliance with this requirement.

**14. Submission to Jurisdiction and Competence.**

The parties expressly disclaim any other rights that might be applicable and are subject to the jurisdiction and competence of the Courts of Cartagena, Spain.

**15. Safety and Coordination.**

The Purchaser shall be solely responsible for taking whatever measures are necessary to protect safety and health at work, being responsible for the information because of the inherent risks of the workplace which will develop the work contracted as well as the measures to be applied when an emergency situation, accounting likewise coordination between the various contracts and contractors, if necessary, participate in a particular project and the roles of consultation, training and in general, few other obligations for health and safety at work arising from the implementation of Law 31/1995, of Occupational Health and Safety, both from its own employees and those of its contractors.

SACOME is empowered to carry out the stay of execution of the Services in accordance with Article 21 of Law 31/95 if it considers that the safety of personnel is not guaranteed, enjoying a reasonable extension of time where there is any delay being offset by the Purchaser for any loss or damage to, such as hours lost, movements of personnel, per diem, detention equipment and tools, etc. regarding the obligations and responsibilities under this clause and referred to in the aforesaid Act 31 / 1 995, Prevention of Occupational Risks.