



amurrio
ferrocarril y equipos, s.a.

***GENERAL SALE
OR SUPPLY
CONDITIONS MODEL***

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1.- GENERAL PROVISIONS:

These conditions determine the rights and obligations of AMURRIO FERROCARRILES Y EQUIPOS SA (hereinafter the seller) and the buyer regarding the supply contracts of all kinds of railway material, capital resources and machinery in general, including their parts and components, as well as the rest of the support, advice and services that the seller may provide to the buyer.

Therefore, once accepted, they are part of the content of the contract, provided they do not contradict the clauses that the parties may have expressly agreed upon.

2.-OFFERS AND ORDERS:

2.1.- The buyer must carry out the order, including the technical conditions in which the features and specifications of the requested parts are determined, including the tests necessary for the receipt.

2.2.- The seller shall make an offer for the supply of the parts requested based on the technical conditions specified by the buyer, indicating the final unit prices, quantities and delivery deadlines.

2.3.- The offer made shall be valid for a period of 60 calendar days.

2.4.- The supply or purchase and sale contract shall be formalised at the moment in which the buyer accepts the offer made by the seller and notifies them in writing of their acceptance. From that moment the technical conditions shall become an integral part of the contract, to define its subject matter.

2.5.- Any modification of the technical specifications or characteristics of the products to be supplied, must be previously indicated in writing and shall invalidate the offer initially made, obliging in this case the buyer, in order to formalise the contract, to accept in writing the new offer presented by the seller, according to the modifications made, including, if applicable, the modification of the delivery deadlines.

2.6.- If both parties agree they may increase the number of parts to be supplied after making a new delivery plan adapted to the new circumstances, as well as reducing the number of parts to be supplied, provided that in this last case, the variation does not exceed 10% of the number or amount of products. In the event that the aforementioned reduction takes place, which must be duly communicated, the seller shall estimate the price of the stock and products totally or partially manufactured at the moment of the communication for their invoicing to the buyer.

2.7.- In the event that the buyer, once the offer has been accepted, communicates the termination of the purchase and sale or supply contract due to reasons other than the seller's non-fulfilment or a reduction of the quantity of parts to be supplied higher than 10%, the latter shall be entitled to invoice buyer for the material supplied up until that date, those that are already manufactured or in the process of being manufactured, the material stocked to fulfil the contract and any other expense incurred to fulfil their obligations.

2.8.- In the event described in the previous section (2.7), likewise, as compensation for loss of profits, the buyer shall be obliged to pay the seller 10% of the pending invoice amount at the date of the termination.

3.- SAMPLES, CONTROLS AND RECEIPT.

3.1.- The buyer is solely responsible for the approval of the drawings of the part to be supplied by the final recipient of the same, and the manufacturing process shall not start, nor shall the delivery period start, until the definitive approval of the above-mentioned drawings has been communicated to the seller.

3.2.- In the drawings and the terms and conditions that the buyer facilitates to the seller to carry out the offer and which once expressly accepted shall be part of the contract, the type of controls and tests necessary as well as the tolerances and reference regulations shall be specified. The price of the controls and tests required by the buyer, unless agreed to the contrary by both parties, shall be invoiced separately and shall be carried out upon the request of the buyer, by the seller, or by the independent third party that the latter designates.

3.3.- Lacking a specification concerning the controls and tests to be carried out on the parts to be supplied, the seller shall carry out those that, according to their custom and experience, they consider appropriate.

4.- DEADLINES AND PLACE OF DELIVERY.

4.1.- The delivery deadlines shall be detailed in a Delivery Plan, which along with the final unit prices and technical specifications detailed in the offer, shall be part of the contract arranged between the parties.

4.2.- The start of the delivery deadline shall not start until the acceptance and written notification of the offer by the buyer to the seller and, in any event, until the former does not provide the latter with all the documents, models, drawings and technical specifications necessary for the manufacture duly approved by the final recipient of the product and, if applicable, until the letter of credit has been opened.

4.3.- At the moment the offer is accepted, the seller shall ratify the delivery plan proposed, or in the event, due to unforeseen circumstances in the production, they shall propose a new delivery plan for its acceptance by the buyer.

4.4.- If there is a delay in the supply due to reasons beyond the control of the seller, including force majeure, the delivery plan, deadlines shall be extended by a period identical to the delay produced.

4.5.- If the works to which the supplied products are destined are stopped due to causes beyond the control of the seller for a period longer than six months, the latter shall be entitled to invoice the buyer for the products manufactured, as well as for the materials ordered destined to these products until the date the stoppage of the works was communicated, without prejudice to their subsequent resumption.

4.6.- Unless the contract determines otherwise, the seller may carry out partial supplies according to their criterion.

4.7.- The parties shall be subject to the supply conditions established in the INCOTERMS of 2010.

4.8.- Regardless of the party that assumes the contracting and payment of the transport, the delivery shall be documented with the corresponding delivery note that shall reflect the quantity, type of material and day of delivery, signed by a person authorised by the buyer, as well as by a packing list describing the number of packages delivered and the content of each one of them.

4.9.- The buyer shall have a period of 7 working days from the receipt of the goods at the agreed destination to communicate their nonconformity to the seller about the quantities or the type of parts received.

5.- PRICE AND PAYMENT METHOD

5.1.- The deadlines and payment methods shall be determined in the offer accepted. In the ab-

sence of an agreement, the payments shall be carried out 60 calendar days after the invoice date.

5.2.- The prices shall be fixed and inalterable during the effective period of the contract. However, if further reasons beyond the control of the seller there is a stoppage of the supply during a period longer than one year, the latter shall set the new final unit prices, subject to the approval of the buyer.

5.3.- The seller shall retain the ownership of the parts supplied until the complete payment of the same by the buyer.

5.4.- The non-fulfilment of payments and deadlines agreed, shall entitle the seller, in addition to terminating the contract with full rights, to understand the pending amounts to be in arrears, with the loss for the buyer of the benefit of the deadline.

5.5.- In the event of a delay in the payment of the agreed amounts, and of any other that has been contractually agreed upon, the late interest described in article 7.2 of Law 3/2004 of 29th December on the fight against delinquency in commercial operations shall be applicable.

6.- GUARANTEE.

6.1.- The seller guarantees that the products supplied have been manufactured in compliance with the applicable regulations and that they fully comply with the technical and design specifications inherent to the good uses and state of the art in the manufacture of the specific product dealt with.

6.2.- The seller shall establish in the offer the guarantee period offered for manufacturing defects.

6.3.- The buyer shall communicate the defects that may exist to the seller within a maximum period of 15 calendar days if they are visible defects and within 6 months if they are other defects, to be counted from the date of delivery to the agreed destination.

In the event of a claim the seller shall be entitled to inspect the parts on site, and shall be obliged to repair or replace them when applicable according to their criterion, in the same conditions in which the supply was made and without this affecting the guarantee period.

In this case, the guarantee provided exclusively covers the repair or replacement of the part, while any other direct or indirect expense derived from said repair or replacement assumed by the buyer or charged to them by a third party for any service shall be expressly excluded.

6.4.- Any repair carried out by a third party that has not been approved by the seller shall lead to the loss of the guarantee.

Defects attributable to the assembly of the part, machining when it has not been expressly contracted, modifications carried out after the supply without the authorisation of the seller and in general all works carried out by a third party after the delivery of the material are excluded from the guarantee offered.

7.- INDUSTRIAL PROPERTY RIGHTS

7.1.- Unless indicated otherwise, the seller shall manufacture and supply the products requested according to the design provided by the buyer, who, in consequence, frees the former from any responsibility regarding the parts that are protected by industrial or intellectual property rights such as patents, commercial brands, registered models or any other right, and must hold them harmless from the possible measures that may be adopted against the seller due to the execution of the order.

7.2.- The proposals of the seller approved by the buyer to improve the technical efficiency, or

which are based on economic manufacturing process needs and which entail a modification of the drawing of a part shall, in no event involve a transfer of the responsibility to the former.

7.3.- When the parties agree to do so, the seller shall carry out the design and manufacture of the parts to be supplied, assuming in this case the responsibility of the whole project and freeing the buyer from any responsibility related to industrial and intellectual property rights involved in the design and manufacturing process.

7.4.- The buyer, by virtue of the supply contract, does not acquire any property rights over the preliminary studies, software, research and patents used.

As a result they are obliged to maintain the strictest secrecy and to oblige their employees to also maintain this secrecy regarding the procedures, data and information (including technical drawings, designs, technical instructions, etc.) they may have knowledge of by virtue of the contract subscribed and to not use them other than exclusively for the purposes described in the same, that is, for the integration and commercialisation of the products.

8.- CAUSES FOR TERMINATION.

The contract may be terminated for the following reasons:

8.1.- Extinguishment of the legal entity of either party.

8.2.- The bankruptcy, suspension of payments, agreement with creditors for a situation of insolvency of either party, without prejudice to the rights and actions that may correspond to each one.

8.3.- Non-fulfilment by the buyer or seller of any of the obligations assumed by virtue of these general conditions.

8.4.- Failure by the buyer to pay any of the invoices issued within the agreed deadline.

8.5.- The mutual agreement by the parties, with the effects established in the same.

8.6.- The termination of the contract between the purchasing party and the final recipient of the parts to be supplied. In this event, if the termination of the main contract is not due to the non-fulfilment of the supplier, the latter shall be entitled to the payment of the parts supplied until that moment, of those already manufactured or in the process of being manufactured, as well as the materials stocked to fulfil the contract subscribed.

9.- TRANSFER.

Neither party may transfer the rights and obligations assumed with the acceptance of the offer and in the event, the signing of the subsequent contract, without the prior written consent of the other party.

10.- APPLICABLE LAW AND EXPRESS SUBMISSION.

10.1.- The contract shall be governed by Spanish Law unless there is an express exception.

10.2.- In order to solve any controversy that may arise related to the supply contract, the parties submit to Arbitration at Law in accordance to Law 60/2003 of 23rd December on Arbitration, and for such purposes, they designate as the administrative body the Arbitration Court of the Official Chamber of Commerce and Industry of Alava, according to its regulations and statutes, which shall

also designate the arbitrator, who must issue the arbitration award within a period of one month, where such an award shall be complied with by both parties.