

General purchasing conditions.

1. – GENERAL

These General Purchasing Conditions refer to all the CELO group companies, herein referred to as "CELO".

The terms 'delivery', 'supplier' or 'article' used herein also refer to services, although they do not imply the delivery of physical goods; herein, 'delivery' is synonymous of 'service'.

These General Purchasing Conditions are an integral part of all the PURCHASING AND CONTRACTUAL RELATIONSHIPS with any individual or company that is a SUPPLIER of CELO. THE SUPPLIER is aware of these Conditions and the fact that they, or any third party acting in their name, have signed these conditions means they fully accept these General Conditions.

Any modification to these General Conditions must be accepted in writing by CELO, being the written form sine qua non regarding validity.

These General Conditions may be modified by CELO without the consent of third parties, but the modification shall not have retroactive effects.

If any of these General Conditions becomes void, this does not affect the rest of the General Conditions, which shall remain fully and validly applicable.

These General Conditions shall not impede, in the corresponding purchasing proposal, the agreement of specific contractual Conditions between THE SUPPLIER and CELO. In the event that, the particular Conditions agreed upon have preference over the General Conditions, the latter shall also form an integral part of the agreement between THE SUPPLIER and CELO.

2. – ORDER REQUEST

THE SUPPLIER shall inform CELO in writing of the acceptance of the order within a maximum period of 15 (fifteen) natural days, attaching the quotation agreed upon between both parties. If after this period, THE SUPPLIER has not accepted the order, CELO reserves the right to cancel the order with no obligation to pay any compensation to THE SUPPLIER for said cancellation.

THE SUPPLIER shall undertake all the necessary, sufficient measures so as to ensure, in the event that the sale or transfer of sale to third parties is carried out, either totally or partially, that their company or any third party the order is passed on to, undertakes their corresponding obligations as SUPPLIER of the order, guaranteeing CELO full customer satisfaction regarding its claims.

CELO may modify the contract or order always and when said change does not suppose any serious loss for THE SUPPLIER. The changes, and in particular those that refer to a reduction in costs or delivery times, shall always be mutually agreed in writing with THE SUPPLIER.

Modifications to the purchase order made by THE SUPPLIER shall only come into effect if they are confirmed in writing by CELO.

3. – CELO DOCUMENTATION

THE SUPPLIER shall safeguard the documentation delivered, where necessary, by CELO until the termination of the contractual relationship. When the moment arises, THE SUPPLIER shall return the documentation to CELO.

4. – ORDER DELIVERY LOCATION AND TIMES.

Unless otherwise agreed upon and in writing, all deliveries are understood to be DDP (Delivered Duty Paid) according to INCOTERMS 2010 to the corresponding warehouse. Risk is transferred to CELO when the delivery is in the warehouse, although for extraordinary circumstances, CELO shall undertake transport costs.

Partial deliveries shall only be accepted with prior written authorisation on the part of CELO. A delivery note shall be sent with each shipment, with all the documentation and information required at the time of order.

In the event of maritime shipping, it shall be obligatory to send the shipping and freight documentation.

THE SUPPLIER shall deliver the order at the time established between the parties for each particular case. If THE SUPPLIER foresees that they are not able to comply with the delivery times described, they must immediately notify CELO in writing giving the reasons for the delay and the new delivery date. Said notification does not exempt THE SUPPLIER from their responsibilities and claims arising from such delay.

Non compliance with the delivery times established, gives CELO the right to claim for any damages or liabilities incurred due to THE SUPPLIER. CELO reserves the right to cancel the contract or purchase order. Acceptance of the new delivery on the part of CELO does not exclude THE SUPPLIER from compensation for CELO for any legal or contractual lawsuit.

In the event of repeated failure to deliver on time, CELO shall be able to cancel the contractual relationship with THE SUPPLIER immediately. This cancellation shall be made to THE SUPPLIER in writing giving three days' prior notice.

5. – LONG TERM AGREEMENTS AND PRICE ADJUSTMENTS

Contracts of an undetermined period or those greater than 6 (six) months may be cancelled at any time on the part of CELO, by notifying THE SUPPLIER in writing with 3 (three) months' notice.

If there is an increase in labour costs, materials or energy during the validity of the contract, each party reserves the right to revise the prices in function of these factors.

6. – MATERIAL AND DOCUMENTATION OWNERSHIP

The material delivered by CELO to its SUPPLIERS to manufacture a product, either being raw material or tooling, shall be deemed as CELO's property, identified and administered as such without any costs. The use of this material is reserved for CELO's orders.

Before starting any production, THE SUPPLIER must inspect the material delivered by CELO to identify any possible defects. Throughout production, THE SUPPLIER commits itself to carry out the inspections agreed upon with CELO or according to THE SUPPLIER's quality system. If THE SUPPLIER finds defects in the material delivered by CELO, CELO must be immediately informed, with the objective of taking the necessary actions.

If the value of the material delivered by CELO changes due to THE SUPPLIER's production process, the final material shall be property of CELO, in proportion to the costs for the material delivered and the final value of the product.

All documentation handed over by CELO, such as plans, descriptions or any other technical or market information shall be CELO's intellectual property. Once the order has been delivered or the contract has finished, the documentation shall be handed back to CELO.

Moulds, tooling, plans, samples, standards documents, etc, handed over by CELO as well as parts manufactured using these moulds, tooling, plans, samples, etc, must never be handed over to third parties without the prior written consent of CELO. If THE SUPPLIER breaches this commitment, CELO shall be able to terminate this contract and claim for damages.

Any information obtained by THE SUPPLIER regarding the order or the contract shall not be shared with third parties, unless the information is public domain.

7. – QUALITY DEFECTS

The products must comply with the specifications and requirements for use; they must also comply with the applicable legal and safety regulations at the time of delivery. THE SUPPLIER guarantees that the products are not faulty and comply with the aforementioned requirements.

Acceptance of the order is made with the reservation to its later inspection. CELO shall immediately notify THE SUPPLIER of the faults detected where necessary.

In the event of finding any faults, CELO shall have the right to request THE SUPPLIER to increase control, with no additional cost, either to solve the fault or to replace the faulty material. This shall also apply to deliveries where inspection is made on a sample.

If the increase in control or reprocessing is unsatisfactory, CELO shall have the right to terminate the contract without any compensation, or to request a reduction in the price, or to reclaim a refund for the damages incurred.

In a case of emergency, with effect to preventing extraordinary damages, CELO shall be able to unilaterally decide to impose a solution or to request a third party to reprocess or inspect the product with the objective of obtaining correct, fault-free parts. All costs incurred for said actions shall be charged to THE SUPPLIER.

If an extraordinary inspection or delivery is required, that exceeds the usual procedures as a result of a faulty delivery; THE SUPPLIER shall be liable for the costs incurred.

THE SUPPLIER shall be liable for the total cost and the risk of the inspection, choice, refund or scrapping of the faulty parts.

If the fault is detected after processing the product, THE SUPPLIER is obliged to pay all costs deriving from testing, reprocessing, extra transport costs, materials and any other costs deriving from the same, and especially guarantee costs.

If THE SUPPLIER is unable to solve the fault or to deliver fault-free parts within a reasonable time, CELO shall use its own means through a third party. All costs shall be charged to THE SUPPLIER, without jeopardizing the legal responsibility of THE SUPPLIER.

CELO shall have the right to claim a refund for the costs according to the aforementioned fifth paragraph, if damages are due to a quality defect.

If there is no written agreement indicating otherwise, the right to claim for quality defects shall be limited to 24 (twenty-four) months after the delivery date.

THE SUPPLIER is obliged to follow applicable European Union legal and standards requirements. This includes all rules and regulations. THE SUPPLIER must immediately inform CELO of any change, and especially to REACH regulation (EC) No 1907/2006.

8. – TITLE DEFECTS

THE SUPPLIER guarantees that the delivery shall be carried out free of charge and does not breach any patent or right, either at the point of delivery or the location for intended use.

The party must immediately notify the other party if there is any claim against brand rights or for breaching a patent.

If the use of the material delivered is contested by a third party for brand or patent rights, THE SUPPLIER must obtain, without jeopardizing their legal obligations, the right to use on the part of CELO, without incurring any additional cost for CELO.

The right to claim for quality defects shall be limited to 24 (twenty-four) months after the delivery of the goods.

9. – PRICE

The price does not include value added tax, whose amount must be added for each case in force.

10. – INVOICING

Invoices shall be paid in the currency stipulated, except in the case of prior agreement with THE SUPPLIER to the contrary. CELO reserves the right to request the payment of any cost arising from currency exchange for this currency.

11. – PAYMENT

Payment shall be made by bank transfer to the account provided in writing by THE SUPPLIER. All bank charges and commissions regarding the payment of invoices shall be responsibility of THE SUPPLIER when it is the aforementioned who determines a specific payment procedure.

12. – THE SUPPLIER'S LIABILITY. CONTRACT TERMINATION

THE SUPPLIER shall be accountable for, without limitation, the possible damages that they may cause CELO when they are attributable to THE SUPPLIER or their employees, when they have incurred gross negligence or wilful misconduct.

Additionally, THE SUPPLIER shall be accountable for the damages they cause CELO and are a direct consequence of a foreseen or foreseeable fact at the time of accepting the order and are attributable to THE SUPPLIER or their employees.

THE SUPPLIER is obliged to take out a liability insurance for deliveries to CELO, to a suitably insured amount to cover the risks associated to the automotive sector, with regard to the costs generated by recall, physical injury, damages to property, etc and to keep this policy for at least 15 (fifteen) years after the delivery. The written form of the insurance policy must be handed to CELO.

CELO may terminate this contract without prior notice for any wilful misconduct. In particular, in the case of bankruptcy proceedings on the part of THE SUPPLIER.

13. – CELO'S RESPONSIBILITY. FORCE MAJEURE

CELO can be held accountable for damages in the case of gross negligence or for unjustifiable termination of its contractual obligations. In this event, CELO shall be uniquely liable for the inherent damages for a contract signed between both parties.

This liability limitation shall not apply in cases where CELO is liable for physical injury or damages to property according to the law for product liability, for damages for death and damages for health.

Both parties are exempt from any responsibility in the event of force majeure, civil unrest, 'industrial and official action', or any other serious circumstance that may affect the performance of any of the parties. Within reasonable limits, the parties shall undertake the suitable measures and shall inform the other party so as to be able to adapt their obligations to the new circumstances in good faith.

14. – DATA PROTECTION

In compliance with article 5 of Organic Law 15/1999, dated 13th December, regarding the Protection of Data of a Personal Nature (Protección de Datos de Carácter Personal), THE SUPPLIER is informed and accepts that their data is kept in the automated files belonging to CELO, which shall be stored in the same with a confidential nature. CELO shall not communicate said data to third parties, except when strictly necessary or with prior authorisation of THE SUPPLIER. CELO shall stop using said data when it becomes necessary, and upon request of THE SUPPLIER, CELO shall return or destroy the documentation obtained and generated in the context of the contract that contains data of a personal nature, protecting it, in the meantime, with suitable security measures as established by the Data Protection Law.

To exercise their right to access, rectify, cancel and oppose as recognised by said law, they can contact CELO in writing at: CELO, S.A. calle Rosselló 7, Castellar del Vallès, 08211 España.

15. – LANGUAGE

The Contractual General Conditions written in Spanish shall always prevail over any other text written in any other language.

16. – LAW AND JURISDICTION

The applicable law is Spanish Law for these Contractual General Conditions. For all questions arising, both parties shall be expressly under the competences of the jurisdiction of the Courts and Tribunals of the City of Barcelona, renouncing any other jurisdiction they may be entitled to.

In Barcelona, on 19th May 2013.