

## CMO VALVES TECHNOLOGY S.L. GENERAL SALES CONDITIONS

### 1. SCOPE AND VALIDITY OF GENERAL SALES CONDITIONS

These General Sales Conditions (hereinafter referred to as “GSCs”) apply to all orders signed by CMO VALVES TECHNOLOGY, S.L., with Tax ID Code No B75189639, and registered address at Tolosa, Polígono Usabal, 24, (20400) (hereinafter “CMO VALVES”), in connection with the sale of any product or good (hereinafter “product” or “products”) by CMO VALVES to a client (hereinafter the “Client”).

These GSCs apply to all commercial transactions with CMO VALVES’ Clients. In particular, the GSCs shall apply to all contracts linked to the sale and/or delivery of goods, irrespective of whether said goods have been manufactured by CMO VALVES or by a third supplier or subcontractor.

These GSCs shall apply in all cases except where the parties have expressly agreed different specific conditions in writing. These GSCs shall take precedence over the general terms and conditions of the Client, where applicable. If the Client applies other general conditions that do not contradict these GSCs but involve additional terms and conditions, those additional terms shall not be considered part of the contract, even if CMO VALVES does not expressly object to any of them.

The Client recognises that the GSCs have been made available to the Client prior to the establishment of the commercial relationships to which they apply, either because CMO VALVES provided a copy or because the GSCs appear on the website of CMO VALVES ( [www.cmovalves.com](http://www.cmovalves.com) ) and the Client implicitly accepts them on placing an order. The Client’s full acceptance without reservation of the terms and conditions means that they are considered automatically, implicitly and validly incorporated into the commercial relationship between the parties.

The product orders shall be subject to the GSCs, to which further terms and conditions may be added as applicable, if agreed between CMO VALVES and the Client. Those particular conditions shall have priority over the GSCs provided CMO VALVES have expressly accepted them in writing. Any conditions and specifications added by the Client in delivery notes, receipts or any other document exchanged between the parties that contradict the conditions applicable to orders accepted by CMO VALVES, shall be considered invalid and will in no case apply.

Any modification, variation, change, addition or deletion of these GSCs shall have no effect, unless the contrary is expressly agreed in writing, in a document signed by a duly authorised representative of CMO VALVES.

### 2. INTELLECTUAL PROPERTY

The intellectual and/or industrial property of the offer issued by CMO VALVES, in all its terms, and the information attached therewith, as well as all that pertaining to the products that have been supplied and to the elements, plans, drawings, designs, documentation, etc., incorporated or related to the products that have been supplied, is the sole and exclusive property of CMO VALVES or of its suppliers. Consequently, any usage by the Client for any purpose other than the fulfilment of the order is expressly prohibited; likewise, any total or partial copy or transfer of use to third parties is strictly prohibited without CMO VALVES’ prior and written consent. If the Client cancels the order, the Client must return all of the plans and documents associated to that order to CMO VALVES within a timeframe of five (5) calendar days, without any possibility of extension, and the Client shall issue a sworn statement attesting that the Client has not kept, made or withheld any copy of any of the documentation for any purpose whatsoever.

The violation of the intellectual property rights protected by these GSCs shall give CMO VALVES the right to receive from the Client a penalty corresponding to 10% of the total value of the order, without prejudice to CMO VALVES' right to demand the corresponding indemnity for any damage and harm caused if the violation of the protected property rights is not rectified or terminated within a period of 24 hours. In addition and at CMO VALVES' sole discretion, CMO VALVES may terminate the contractual relationship with the Client and reserve the right to take any other action permitted under Law.

### 3. FORMALISATION, ACCEPTANCE, MODIFICATION AND CANCELLATION OF ORDERS

The offers issued by CMO VALVES shall be non-binding and interpreted instead as an invitation to the Client to make a purchase offer to CMO VALVES through the issuance of an order. The contract shall be made effective through the order placed by the Client and that order's acceptance by CMO VALVES. If the order's conditions are different to those of the offer that CMO VALVES provided, the order shall be considered as a new purchase offer, with no binding effects for CMO VALVES.

The order must be expressly accepted by CMO VALVES for the product sales agreement to be considered effective and binding. Notwithstanding the above, even when an order has already been accepted by CMO VALVES, the order shall be subject to a condition subsequent if any of the following cases arise:

- i. The Client fails any solvency and creditworthiness check made by CMO VALVES, or
- ii. The Client exceeds the credit limit set by CMO VALVES based on their credit status, purchase volumes and guarantees provided by the Client, among other questions. Said limit shall be exceeded if the value of the orders the Client places with CMO VALVES exceeds, whether on its own or in accumulation with previous orders for which CMO VALVES has not received full payment, the specific credit limit set for this Client.

If either of the two preceding situations arises, CMO VALVES may at their sole discretion choose to:

- a. Suspend or cancel the order.
- b. Demand additional guarantees, configured exclusively according to CMO VALVES' criteria, in respect of the payments for the products.

The supply includes only the products that are the object of the order, except in cases where the Client's order, which CMO VALVES has already accepted, explicitly includes any additional documentation, information, support or service.

The weights, dimensions, capacities, technical specifications and configurations pertaining to the CMO VALVES products included in catalogues, brochures, leaflets and technical literature, shall be considered as a guideline and shall be non-binding, excepting cases in which CMO VALVES accept a closed specification from the Client, which must form a constituent part of the order's documentation.

Any modification proposed by the Client to an order that CMO VALVES has already accepted, shall require CMO VALVES' consent. If the Client proposes any modification to an order, CMO VALVES may:

- i. Accept the modification(s), accepting the Client's new order in accordance with the provisions set out in section 1.
- ii. Not accept the modification(s) and maintain the original order.
- iii. Not accept the modification(s) and cancel the order.

Any order for products that implies or requires a special production process, special handling or special technical studies, etc., will imply a cost for CMO VALVES; said cost shall be applied upon temporary or definitive cancellation or annulment of an order, as follows:

- i. After receipt of the order and its placement in the system: 25% of the value of the cancelled supply.
- ii. During production: 75% of the value of the cancelled supply.
- iii. After communication of the tests' completion: 95% of the value of the cancelled supply.

If the Client's order requires the execution of specific plans and designs and the order is finally cancelled or annulled, whether temporarily or definitively, or whether totally or partially, said plans/designs must be paid by the Client. In such cases, CMO VALVES shall issue an invoice to the Client for the technical office hours spent preparing the plans and designs and any other documentation at the price in force when the invoice is issued.

Any non-standard material that has been custom-made will be non-returnable/non-refundable.

Order expiries: any placed order that is not confirmed by the Client within a period of 6 months from CMO VALVES' acceptance of that order, shall be considered automatically annulled, without requiring any further notification. If the Client wishes to restart the works corresponding to that order, the Client must make a new order, to which CMO VALVES' prices and conditions in force at the time of the new order's formalisation shall apply, even if these are in excess of the original ones.

#### 4. PLANS AND DOCUMENTS

CMO VALVES' standard plans shall be freely distributed. The plans accompanying the offers shall be considered always as guidelines only, even if this is not expressly indicated in the plan or in the offer, the definitive plans being those that are provided once the order has been confirmed.

Standard plans and documents belonging to CMO VALVES that have been published as part of CMO VALVES' commercial strategies may undergo modifications. CMO VALVES is not obliged to report any such modifications to the Clients, who must check with CMO VALVES before placing any order.

The plans and documents pertaining to an order sent out by the Client shall remain the property of the Client and will be stored in the file corresponding to the order in question.

The plans and documents generated by CMO VALVES are the exclusive property of CMO VALVES and their reproduction and/or use is strictly prohibited without CMO VALVES' express consent in writing. If the Client cancels the order, the plans must be returned to CMO VALVES as described in Section Two of these GSCs.

As regards the plans pertaining to a specific subject, CMO VALVES may issue a quote for those plans. The fact that any such quote is not elaborated shall not be interpreted as a waiver by CMO VALVES of their right to charge for those plans at a later time if the Client annuls or cancels the order, whether temporarily or definitively and whether totally or partially, as stated in Section Three above. If the Client does not pay the corresponding sum, CMO VALVES shall not be obliged to send the plans pertaining to that subject.

Any element that is or is part of the industrial and/or intellectual property of CMO VALVES or their suppliers and that is made available to the Client shall remain the property of CMO VALVES or the supplier in question. The placement of that property at the Client's disposal shall in no case be construed as transfer of ownership to the Client.

## 5. ELEMENTS NOT INCLUDED IN THE ORDERS

None of the elements set out below shall be understood as included in the Client's orders, unless they have been expressly mentioned and the way in which they must be interpreted has been clearly established:

- Penalties of any nature and due to any case, associated to the supply.
- Retained payments due from the Client to CMO VALVES
- Inspections/tests to be performed in the presence of the Client and in the installations of CMO VALVES or onsite. If the Client wishes to make any inspections, this must have been correctly identified and specifically quoted. In all cases, the tests shall be performed immediately after completion of the works.
- Transport and/or set up/installation of the supplies.
- Unloading/assembly cranes NOT included.
- Additional journeys apart from those already quoted for reasons not attributable to CMO VALVES. These journeys shall be quoted prior to their execution.
- Commissioning of the supply.
- Installation or electric supplies required for the set up/installation.
- Cabling necessary from the valves or ports to the electrical cabinets.
- Any kind of civil works, refilling work or sealing work.
- Conditioning works of the supply to civil works.
- Health and Safety Plan during set up/installation.
- Cleaning of premises prior to set up/installation, pumping of water, etc. (dry assembly).
- Pumps or any other elements for tests (water, special fluids, gas, etc.).
- Safekeeping/surveillance of supplies onsite and replacement of materials necessary due to thefts.
- Special lifting resources/Scaffolds/Lifting platforms.
- Storage on CMO VALVES' installations or onsite.
- Definition of welds required onsite, if requiring any kind of non-destructive test.
- If tests (whether destructive or non-destructive) are required, this must be reported prior to making the order and such tests will imply an additional cost.
- Special packaging for terrestrial/maritime transport.
- Additional set up/installation onsite. If these are required, this must be reported before commencement and will imply an additional cost.

## 6. PRICES

The prices stated in the offer are understood as applying only with the payment conditions specified in that order. If these payment conditions are changed, the prices offered shall likewise be revised.

Unless the contrary is expressly indicated in the order or in an agreement in this regard between the Client and CMO VALVES deriving from their commercial relationship, the product prices do not include transport, loading, charges or insurance and are considered as applying when the produce is supplied at the factory of CMO VALVES. These prices are only valid for the order for all the products specified in the offer.

CMO VALVES consider the standard packaging, consisting of Euro-pallets, standard packaging tape, standard strapping and standard cardboard boxes, etc., as included in the order. At the Client's request and subject to a prior quote, packaging may

be made according to the Client's specifications, provided there is an order signed by the Client in relation to the special packaging conditions.

The prices indicated in the order shall not include VAT or any other tax, right, fee, duty or levy, which shall be charged to the Client in the corresponding invoice at the rates in force at the time and location of issuance of the invoice.

The order must at the minimum contain an itemisation of the prices corresponding to the execution of the plans and documents, as well as transport and set up/installation, supposing such prices exit.

The prices indicated in the order accepted by CMO VALVES shall at all times be understood as fixed and non-revisable. Notwithstanding, prices may be revised when:

- i. So agreed by the Client and CMO VALVES.
- ii. The delivery or acceptance deadline has been delayed due to a cause directly or indirectly attributable to the Client.
- iii. The scope of the supply has been modified at the Client's request and in general, when there is any variation and/or modification by virtue of the provisions established in these GSCs.
- iv. The prices have been quoted in a currency other than the EURO and only to the extent that said currency has undergone a change in respect of its parity with the EURO from the date of placement of the order to the contractual invoicing dates of each step in the process.
- v. The prices of the orders must always be expressed in Euros.
- vi. The Client has unilaterally cancelled the supply that is the object of the order.

## 7. PAYMENT CONDITIONS

CMO VALVES' offer, or if such an offer does not exist, the Client's order accepted by CMO VALVES, shall include the supply's payment conditions. Likewise, previously specified payment conditions set within the framework of an ongoing commercial relationship between the Client and CMO VALVES may be applied.

These payment conditions must be in line with the provisions of Act 15/2010 of 5 July, amending Act 3/2004 of 29 December, on combatting late payments in commercial transactions; the maximum timeframes established in this Law will in no case be exceeded.

Absent any other agreement, the payment timeframe shall be thirty (30) days from the date of product delivery by CMO VALVES.

Payment shall be made under the agreed terms and conditions, into the bank account that CMO VALVES provides to the Client for this purpose, or by any other agreed means. The payment shall be made without any deduction, such as non-agreed withholdings, discounts, expenses, taxes or levies, or any other kind of deduction. If CMO VALVES agree any kind of withholding with the Client, that withholding shall not be in excess of 5% of the contract value, and must be replaced by a bank guarantee or surety insurance for as long as the guarantee lasts.

Any such guarantee must be established in the contract, with clear reference to the start and end dates.

If for reasons beyond CMO VALVES' control, the delivery, installation or commissioning or receipt of the supply is delayed, the contractual terms and conditions and timeframes shall still be maintained. The Client may not invoke any exception of any nature, such as using the pretext of vices, defects or irregularities in the products as a reason for not paying or delaying payment of the invoice.

The failure to pay an invoice on coming due shall give CMO VALVES the right, at their sole discretion, to suspend any outstanding deliveries if the order comprises different supplies.

The invoice shall be issued once CMO VALVES have completed the manufacturing process or after the inspection has been completed, and this must not occur any later than 15 days as from the final date of production, if any such inspection has been agreed.

As regards the technical assistance service, payment shall be made in one of the following ways:

- Technical assistance service: Advance payment prior to the personnel's departure from the factory.
- Advance payment before production starts – Non-standard Manufacturing.
- Immediate cash payment prior to withdrawal of the material – Standard Manufacturing.

All bank expenses & commissions of bank transfers must be paid by Customer and CMO VALVES must receive 100% of invoiced amount.

## 8. PRODUCT DELIVERY CONDITIONS AND TIMEFRAMES

CMO VALVES will not begin production until the plans have been approved and they have in their possession the contract signed by the Client. Once these two requirements have been met, the delivery timeframe shall begin. Any penalties agreed by the parties in respect of late deliveries shall in no case be determined by or associated with any event occurring prior to the beginning of the delivery timeframe. The only plans that may be used for the production or any other matter related to the order shall be those prepared and approved by CMO VALVES as the definitive plans.

Unless the contrary is established, the delivery conditions shall be on an Ex Works basis ("EX WORKS", Incoterms 2010). Unless a different agreement has been previously reached with the Client, the transport, including loading and unloading, shall be made at the cost and risk of the Client and therefore CMO VALVES shall not be liable for any claim arising from any damage or impairment of the products in this regard, as the Client shall be responsible for any such risks. CMO VALVES shall notify the Client when the products are available for loading within the delivery timeframe associated to the order. The Client shall inform CMO VALVES of the name of the transport company and the loading conditions within ten (10) days following that notification.

If the Client does not collect the product by the date the Client had specified, CMO VALVES shall be authorised to (i) store the products at the cost and risk of the Client, while charging the storage costs to the Client, with a minimum of 0.5% of the value of the invoice for each week or fraction; and (ii) the price of the products shall be considered as immediately due and demandable. If one (1) month elapses after the date on which the price becomes due and demandable without the Client having collected the products, CMO VALVES may make use or dispose of the products in a reasonable manner without having to notify the Client, with the objective of recovering the expenses or losses CMO VALVES may have incurred, all without prejudice to the payment obligation attaching to the Client, which shall remain in force.

The delivery timeframe may be modified if:

- i. The Client does not deliver the documentation required for the execution of the supply within the set timeframe.
- ii. The Client requires modifications to the order, which are accepted by CMO VALVES and which, in the judgement of CMO VALVES, require an extension to the delivery timeframe.
- iii. Supplying the product is impossible unless the Client or the Client's subcontractors carry out specific works and these works have not been executed on time.
- iv. The Client fails to fulfil any of the contractual obligations associated to the order, particularly in relation to payments.
- v. There are delays in the production or availability of all or some of the elements of the supply, due to a cause not directly attributable to CMO VALVES, including but not limited to: strikes by suppliers, transporters and services, failures in the supplies from third parties, failures in transport systems, floods, storms, riots, public unrest, strikes, strikes by the personnel of CMO VALVES or of any of their providers, suppliers or subcontractors, sabotages, accidental shutdowns in the workshops of CMO VALVES due to breakdowns, etc., as well as the causes of force majeure set out in current legislation and those cited/defined in section 17.
- vi. The Client has unilaterally suspended the supply that is the object of the order.

In any of the cases set out above, the postponement of the delivery deadlines shall not imply any modification to the schedule of the order's payments.

In cases in which the installation is included in the final price, the installation/set up shall be considered as executed on an ongoing basis, within one single trip or in one single stage. If due to the Client's needs or due to non-compliances not attributable to CMO VALVES it is not possible to set up/install the set of products in their totality in one single trip/stage, the installation that is still outstanding shall be financially assessed in addition to the initially offered price. If the Client does not accept the financial assessment made by CMO VALVES, the Client shall release CMO VALVES of their outstanding obligations in respect of that installation.

## 9. QUALITY CONTROL

The compliance certificate supported by the manufacturer's original copy, which will be kept in our files, shall be delivered at the Client's request. Any other type of certificate that is requested will imply a cost payable by the Client. At the request of the Client, CMO VALVES shall make available the relevant information concerning prices.

Unless the contrary is expressly stipulated in CMO VALVES' offer or in the Client's order accepted by CMO VALVES, the inspections and tests during production and the final inspection prior to the consignment of the supply shall be carried out by CMO VALVES. Any additional test that the Client requires must be specified in the order, citing the applicable regulation or law for the performance of those tests. These additional tests must be approved by CMO VALVES and shall be at the Client's cost.

## 10. WARRANTIES/GUARANTEES

Unless the contrary is expressly stipulated in the offer or order acceptance, CMO VALVES provide a warranty for the products they have supplied in respect of defects in the materials, manufacturing or assembly for a period of twelve months as from the date on which they are made available, whether this is done explicitly (successful completion of reception tests, agreed between CMO VALVES and the Client, and sending of the supply acceptance notification) or tacitly (15 days from the date

on which the products are sent to the Client, without any written notification concerning any non-conformity being received by CMO VALVES).

The Client shall declare they are aware of the characteristics and limits of the different materials comprising each of our products and are thus aware of and know how they are to be used and applied appropriately. The limits recommended for the products manufactured by CMO VALVES are included in our catalogue, the latest version of which can be accessed using the website [www.cmovalves.com](http://www.cmovalves.com). At the Client's request, CMO VALVES shall make recommendations in respect of the application of their products in special cases, based on the operating conditions that the Client has sent and/or reported to CMO VALVES.

In respect of cast parts, the normal tolerances occurring during die casting, in cast iron moulds or other moulded parts, shall not be considered defects.

The guarantee that CMO VALVES provides consists of the repair or replacement (at CMO VALVES' discretion) of the elements recognised as defective, whether due to defects in the material or in the production, manufacturing or assembling processes. The repairs shall be made in CMO VALVES' installations or those of the provider that CMO VALVES indicates on a case-by-case basis; the Client shall pay the costs of dismantling, packaging, loading, transporting, customs, taxes and duties, etc., incurred in sending the defective material to the place of repair indicated by CMO VALVES and subsequent delivery to the Client. Notwithstanding, an agreement to have the repairs and/or replacements of the defective elements executed in the Client's premises may be reached with the Client, if CMO VALVES consider that such repairs/replacements are viable in those installations. The guarantee does not include the costs associated to travel, accommodation and allowances of CMO VALVES' personnel incurred so that they may execute those repairs in the Client's installations.

Any repair or replacement to a defective element of the supply shall not imply any change in the start date of the warranty applying to the entire supply, which shall be that indicated in this clause. However, the repaired or replacement element shall have an additional 12-month warranty period, starting from the date of repair or replacement.

If the expressed warranty consists of a replacement that must be made immediately due to the urgency of the situation, the Client undertakes to return the defective element or part within a timeframe of no more than seven (7) days from the date of delivery of the new part or element. If the replaced part is not returned, an invoice shall be issued for the new part that was sent.

Under no circumstances will CMO VALVES be responsible for any repairs made by personnel outside CMO VALVES' organisation.

The Client shall not have the right to claim for a defect when the defect is only minor.

Faults occurring in motors or other components due to entry of water or humidity are excluded from the warranty. The same applies to burnt motors.

The warranty shall be annulled if the circumstances of the fault are not made sufficiently clear, the material is not used or operated in conditions suitable to its design, the service and maintenance instructions are not followed or the stipulated warranty period has elapsed.

The Client must grant CMO VALVES the opportunity and time to execute the repairs or replacements that CMO VALVES consider necessary. Otherwise, CMO VALVES shall be released of any liability that may result as a consequence.

Damage or defects due to normal wear and tear during usage of the products are excluded from the warranty. In addition, the warranty shall not extend to, and shall be considered annulled in the event of, damage and defects caused by inappropriate preservation or maintenance, incorrect or negligent storage or handling, wrongful use, use of inadequate liquids and gases including inadequate flows or pressures, defective installations, modifications introduced in the supply without CMO VALVES' approval, installations or modifications made subsequently without following the product's technical instructions, electrical surges, thermal or chemical effects, rusting, bad connections, lack of maintenance or incorrect commissioning procedures and, in general, any cause not attributable to CMO VALVES.

Likewise, the warranty shall be considered annulled if the product was supposed to be commissioned with the assistance or presence of CMO VALVES' personnel as per any of the stipulations, but the product was commissioned without the same, or if in the case of a fault or failure, no measures were taken to mitigate the damage.

Notwithstanding the provisions of this clause, CMO VALVES shall not be liable under any circumstance for any defects in the product that is the object of the supply that appear after two years from the date on which the timeframe indicated in the first paragraph of this clause begins.

The rights deriving from the warranty may only be exercised by the Client and thus are non-transferrable to any third party, and shall remain in force only if the Client's payment obligations to CMO VALVES have been met.

Any claims based on the warranty shall not release the Client from their payment obligations. In case of unpayment on expiring date, warranty will be put on hold and without any effect until 100% of pending payment has been done. Once this situation has been formalized, warranty will be effective again during the pending time until reaching 12 months warranty term. Under no circumstances it can be considered that warranty time term will be put on hold during the unpayment period.

The commercial elements added by CMO VALVES in the manufacturing process shall be subject to the warranties offered by the respective manufacturers.

## 11. REQUESTS FOR TECHNICAL ASSISTANCE

All requests for technical assistance or for replacement parts must be made in writing so that that assistance or repair can be duly quoted. If the fault is covered by the warranty, the part shall be supplied at no charge (transport and travel, accommodation and allowances for personnel shall be considered separately; see Section 10). If the fault is not covered by the warranty, an order must be issued for the original quote.

When a defective part is supplied, the delivery timeframe shall depend on the manufacturing or supply process of CMO VALVES' providers. The delivery timeframe shall be no less than 10 days in any case.

The acquisition of replacement parts or equipment shall in no case imply the right to:

- i. Commissioning at no charge.
- ii. Field validations/testing/verifications.

Requests for commissioning or technical assistance shall be replied to once the corresponding order has been received by CMO VALVES, which shall imply application of the provisions of these GSCs.

It is advised that any installed equipment should be equipped with replacement parts, to avoid associated/inherent delays in the delivery.

Geared motors and control cabinets shall not be repaired onsite under any circumstance; therefore, if any fault occurs in these elements, they must be sent to CMO VALVES for the corresponding repairs.

## 12. RETURN OF A SUPPLY

Any claims/returns for any supposed error in amounts, measurements or materials will not be accepted after 14 calendar days from the date of the merchandise's delivery. If there is an excess of unused products due to circumstances on the worksite, the Client must consult with CMO VALVES to agree possible returns.

The return of products designed or manufactured in a particular manner to the specifications of the Client's order shall not generally be accepted.

In exceptional situations in which, subject to CMO VALVES' acceptance and to a previous written agreement with the Client, the return is permitted, CMO VALVES shall apply the following deductions:

- Return of the material within 15 days following the supply: the Client will be charged 20% of the value of the returned merchandise.
- Return of the material within 90 days following the supply: the Client will be charged 25% of the value of the returned merchandise.

Irrespective of the reason for the returns, the products, as a non-negotiable condition, must be returned in perfect condition, without having been used and in the original packaging; CMO VALVES will not accept any materials in bad condition. If for exceptional reasons, the Client needs to return used materials, they must first consult with CMO VALVES so as to agree on the viability of the return and on the applicable conditions.

Absolutely no returns will be accepted after 90 days from the supply date.

In all these cases, CMO VALVES' conformity in writing shall be necessary before any return can take place.

All returns or consignments of material to CMO VALVES' installations, whether for refund, replacement or repair, must be made with pre-paid shipping/transport costs.

## 13. RESERVATION OF TITLE

Products paid in advance shall not be subject to reservation of title. In other cases, ownership of the products shall correspond to CMO VALVES until the Client has paid the price corresponding to the products in full.

The Client may however, in the ordinary course of business and provided they have fulfilled all existing obligations, sell the products subject to the reservation of title, but may not establish a warranty on the products or transfer ownership under a guarantee, unless CMO VALVES provide their consent in writing.

The Client cedes to CMO VALVES all the rights related to the products subject to reservation of title, irrevocably, in their entirety and generally, through the mere act of establishing the contract with CMO VALVES, without this requiring an additional specific agreement in respect of each particular case, and in particular the credit rights that the Client may hold in relation to those products and deriving from their alienation and/or sale to third parties or under any other title.

If the Client transforms or processes in any way the products subject to reservation of title, or combines or mixes them with any other different product, CMO VALVES shall hold a co-ownership right on the product resulting from that mixture or combination, in the proportion of the invoice value of the products subject to reservation of title, to the invoice value of the other products used in the combination or mixture. If CMO VALVES' co-ownership rights is extinguished as a consequence of the combination or mixture, the Client cedes to CMO VALVES, irrevocably and through the mere act of establishing the contract with CMO VALVES, the rights of ownership the Client may hold on the new product, in the extent of the invoice value of the merchandise subject to the reservation of title; in this respect, the Client undertakes to safeguard the new product for CMO VALVES at no charge. The co-ownership rights that arise in this manner shall be considered subject to reservation of title and shall therefore be subject to the terms and conditions of this stipulation.

#### 14. MISCELLANEOUS

Any total or partial failure to exercise any right deriving from these GSCs or any delay in such exercise shall not imply waiver of that right or of any other.

If any of the provisions contained in these GSCs is determined or declared to be null and void, this will not affect the validity of the others. In such cases, the Client and CMO VALVES undertake to substitute the annulled provision for another provision that is valid while closely mirroring the purpose of the annulled provision.

The Client may not partially or fully cede the order or any of the rights and obligations deriving therefrom without CMO VALVES' prior, written and express consent.

The official language of the contract is Spanish. Any translation to other languages shall be considered as made as a courtesy to the Clients to facilitate understanding. If there is any discrepancy between the Spanish version of these GSCs and a version in a different language, the version in Spanish shall prevail.

#### 15. CONFIDENTIALITY

The Parties will treat all the documents, data, materials and information exchanged between them as strictly confidential and shall not reveal them to any third party or use them for any purpose other than the execution of this contract and the contracted supply, unless the other party provides its prior written consent.

Notwithstanding the above, the Client authorises CMO VALVES to use its name and the basic data of the supply as part of its trade references.

#### 16. RESCISSION

Either of the parties may terminate the order immediately by means of written notification to the other party, if the other party fails to fulfil the order in any substantial manner.

A failure to fulfil an order shall not be considered substantial unless the non-complying party has been previously notified in writing and has not rectified the situation within thirty (30) days following the date of notification.

Likewise, the following may be invoked as valid causes for rescission:

- i. Dissolution and/or liquidation of either of the parties, except in the context of mergers made within the corporate group to which each party belongs. For the definition of corporate groups, the provisions of article 5 of Royal Legislative Decree 4/2015 of 23 October, approving the revised text of the Securities and Stock markets Act shall apply.
- ii. Termination of the business activities of either of the parties.
- iii. Persistence of a force majeure event/suspension exceeding three (3) months from the date on which either of the parties receives from the other the written notification sent by the affected party as per the terms of Section 17.

Any other cause expressly mentioned in other clauses of these GSCs may likewise be invoked for the purposes of rescission.

In cases where the rescission is due to a cause attributable to CMO VALVES, the Client will:

- i. Pay CMO VALVES the amount corresponding to the value of the products, materials, plans and documentation already delivered in accordance with the prices established in the order or in these GSCs.
- ii. Have the right but not the obligation:
  - a. to acquire the products, materials, plans and documentation that are yet to be delivered, through payment of the corresponding sums after delivery, and
  - b. to subrogate their position in the orders issued by CMO VALVES to their providers and/or subcontractors.
- iii. Have the right to receive an indemnity for the damage and harm suffered as a consequence of CMO VALVES' breach, subject to the limits established in Section 18 of these GSCs.

If the rescission is due to a cause attributable to the Client, CMO VALVES shall have the right to receive:

- i. The sum corresponding to the value of the products, materials, plans and documentation already delivered in accordance with the prices established in the order or in these GSCs.
- ii. The sum corresponding to the products, materials, plans and documentation yet to be delivered that CMO VALVES are obliged to receive from their subcontractors and/or suppliers, once delivered to the Client.
- iii. The value of the cancelled orders issued by CMO VALVES to their providers and/or subcontractors, when said cancellation is possible.
- iv. An indemnity for other damage or harm suffered as a consequence of the Client's breach.

If the rescission is due to a cause of force majeure, CMO VALVES shall have the right to receive:

- i. The sum corresponding to the value of the products, materials, plans and documentation already delivered in accordance with the prices established in the order.
- ii. The sum corresponding to the products, materials, plans and documentation yet to be delivered that CMO VALVES are obliged to receive from their subcontractors and/or suppliers, once delivered to the Client.
- iii. The value of the cancelled orders issued by CMO VALVES to their providers and/or subcontractors, when said cancellation is possible.

## 17. FORCE MAJEURE

If CMO VALVES are impeded partially or fully from fulfilling their contractual obligations due to a cause of force majeure, the fulfilment of the affected obligation(s) shall be suspended, without any liability attaching to CMO VALVES, for a period of time considered reasonably necessary depending on the circumstances.

“Force Majeure” shall be understood as referring to any cause or circumstance that is beyond the reasonable control of CMO VALVES, including but not limited to strikes by suppliers, in transport and/or services, failures in the supplies of third parties, failures in transport systems, natural catastrophes, floods, storms, riots, civil unrest, strikes, labour disputes, strikes by the personnel of CMO VALVES or their subcontractors, sabotages, acts, omissions or interventions by any kind of government or government agency, accidental shutdowns in CMO VALVES’ workshops due to breakdowns, etc., and other causes of force majeure contemplated in the legislation in force that directly or indirectly affect the activities of CMO VALVES.

In the event of a case of force majeure, CMO VALVES shall notify the Client as soon as possible, stating the cause and its expected duration. Likewise, CMO VALVES shall notify the Client when that circumstance no longer exists, specifying the timeframe in which they will correct the situation or fulfil the corresponding suspended obligation(s). The occurrence of a force majeure case shall give CMO VALVES the right to a reasonable extension to the delivery timeframe.

If the cause of force majeure persists for more than three (3) months, the Parties shall consult with each other to try to find a fair solution that is suitable for the circumstances, taking into account the difficulties faced by CMO VALVES. If such a solution cannot be found within the following 30 days, CMO VALVES may rescind the order, with no liability attaching to CMO VALVES, by means of written notification to the Client.

## 18. CMO VALVES’ LIABILITY

Except in cases resulting from non-conformities with their products, the liability of CMO VALVES, their agents, employees, subcontractors and/or providers for any claims deriving from the fulfilment or non-fulfilment of their contractual obligations shall not in total exceed the purchase value of the products and will in no case include the losses derived from loss of profit, business interruption, loss of revenues, production or use, capital costs, costs of inactivity, delays and claims from clients of the Client, loss of expected savings, increases in operating costs or any other special, indirect or consequential harm or losses or losses of any kind.

The Client shall be solely and exclusively liable for any damage deriving from inadequate use, storage, preservation, development or handling of the products and shall hold CMO VALVES harmless from any such claims.

For these purposes, CMO VALVES have provided the Client with all the documentation and instructions necessary for safe and correct usage and handling of the products.

The limitation on liability contained in this clause shall prevail over any other contained in any other contractual document that may exist, that is contradictory or inconsistent with the same, unless any such inconsistency restricts CMO VALVES’ liability even further.

## 19. COMMUNICATIONS

All communications between the Parties related to the order shall be made in writing, and must be signed by duly authorised persons representing the corresponding Party in order to be considered binding. The parties agree that email is a valid means of communication for all questions related to the day-to-day management of the relationship with the Client.

For all other questions that go beyond the day-to-day management of the relationship with the Client, the communications must be made by reliable official means with acknowledgement of receipt.

Unless the contrary is agreed, the registered address of each of the parties, or the address that appears in the order if applicable, shall be considered a valid address for notification purposes.

When the means of communication used does not create a record of the effective receipt of the communication or an acknowledgement of receipt, the send date shall be considered equivalent to the date of receipt. Notwithstanding the above, if a communication is sent outside normal business hours or on a non-business day, the following business day shall be understood as the effective date of receipt.

## 20. JURISDICTION

These general sales conditions shall be subject to the laws of Spain. The parties expressly agree that the United Nations Convention on Contracts for the International Sale of Goods shall not apply to their commercial relationships. In cases of discrepancies in the interpretation, application or execution of these GSCs, the parties agree to submit to the exclusive jurisdiction of the Courts and Tribunals of the City of San Sebastian (SPAIN)