
GENERAL CONDITIONS OF PURCHASE

This set of General Conditions of Purchase of STERN HIDRAULICA S.A. applies to all purchase order or contract (hereinafter order) by STERN HIDRAULICA S.A. (the buyer) to any supplier, vendor, borrower or intermediary services (the supplier). These General

Conditions of Purchase STERN HIDRAULICA S.A. consist of the following articles:

- SECTION 1. - DOCUMENTS ESTABLISHING ORDER
- ARTICLE 2. - ACCEPTANCE OF ORDER
- ARTICLE 3. - SCOPE AND DEVELOPMENT ORDER
- ARTICLE 4. - PRICES
- ARTICLE 5. - CONDITIONS OF PAYMENT AND BILLING
- ARTICLE 6. - INFORMATION, PLANS, DESIGNS, MODELS, TOOLS AND PHOTOGRAPHS
- ARTICLE 7. - PRODUCTION AND SUBCONTRACTING PROGRAM
- ARTICLE 8. - IMPLEMENTATION PLANS AND DOCUMENTS
- ARTICLE 9. - MATERIAL PROPERTY OF HYDRAULIC S.A. STERN HIDRAULICA S.A.
- ARTICLE 10. - INSPECTIONS, TESTS AND TESTING
- ARTICLE 11. - DATES AND DELIVERY CONTRACT
- ARTICLE 12. - PENALTIES
- ARTICLE 13. - REFERENCED, LABELLING AND PACKAGING
- ARTICLE 14. - EXPEDITION AND TRANSPORT
- ARTICLE 15. - WARRANTY
- ARTICLE 16. - Temporary suspension
- ARTICLE 17. - CANCELLATION OF ORDER
- ARTICLE 18. - INSURANCE
- ARTICLE 19. - PATENTS
- ARTICLE 20. - PREVENTION OF ACCIDENTS
- ARTICLE 21. - FORCE MAJEURE
- ARTICLE 22. - JURISDICTION

SECTION 1. - DOCUMENTS ESTABLISHING ORDER

1.1. The order consists of the following documents, listed in order of priority:

- a) The terms and conditions of the order itself, as well as those contained in annexes (specifications, plans, classifications, rent manufacturing, etc) where these exist. Even in case of conflict with General Conditions of Purchase, the particular conditions prevail order.
- b) Eventually the general conditions of the case and its annexes (conditions contractual rules and standards of the STERN HIDRAULICA S.A. client .)
- c) The general conditions of purchase of STERN HIDRAULICA S.A.

1.2. The correspondence prior to the date of the order cannot be taken into account, nor will valid in any case, if you are in opposition or contradiction to any of the documents comprising the purchase order.

1.3. All terms, conditions and specifications included in or attached to the offer of supplier, and correspondence related to it, which is not made express reference in the order are void. The mention of the bid on order, or accompanying documentation does not alter this provision.

1.4. In case of contradiction between any provision of the order or conditions STERN HIDRAULICA S.A. general purchase with the general conditions of sale supplier, the rules of purchase.

ARTICLE 2. - ORDER ACCEPTANCE

2.1. The supplier will send an acknowledgement and acceptance of order within ten days following the date of receipt of the order. Failure to receive communication some within that period, or begin the implementation of the order, or receive a bill possible down payment, the order is deemed accepted without reservation by the supplier.

2.2. STERN HIDRAULICA S.A. reserves the right to cancel the order if you do not receive acknowledgment and acceptance of order within this period in the previous section.

2.3. No payment can be claimed until the acceptance of the order.

2.4. Following the acceptance of the order will not be able to change the terms, conditions or order specifications, unless it has been made in writing and accepted by both sides.

2.5. The acceptance of the order will also be accepted without reservations General Conditions of Purchase.

ARTICLE 3. - SCOPE AND DEVELOPMENT ORDER

3.1. The Supplier shall be responsible for work undertaken to comply with all requirements in the order.

It is considered that the supplier has checked the plans and specifications has received, shall submit to the approval of the buyer any part of the work conduct that is not sufficiently defined in the order.

3.2. The supplier is obliged to report urgently to the buyer the existence of any problems or unforeseen could jeopardize one of the requirements order.

ARTICLE 4. - PRICES

4.1. Unless otherwise stated, prices included in the order is fixed and can not understand reviewed and is inclusive of any tax or levy, except VAT invoice will be charged broken.

4.2. No price increases are allowed on specified in the order, unless they are expressly authorized in writing by the corresponding increases order.

4.3. It is accepted price increases for packaging or postage limits are not expressly in the order.

ARTICLE 5. - CONDITIONS OF PAYMENT AND BILLING

5.1. Payment terms are given in the order, and may not be modified unless expressly agreed in writing.

5.2. The payment dates for any form of payment will be the 15th of each month.

5.3. The invoice shall be drawn up in duplicate, with the extension date of invoices receipt of material or proper execution of work. Partial invoices will not be accepted unless specifically indicated in the order.

5.4. Each invoice must indicate the order number.

ARTICLE 6. - INFORMATION, PLANS, DESIGNS, MODELS, TOOLS MAKING AND PHOTOGRAFIES

6.1. All plans, drawings, studies, models, tools and technical data on any support, committed by buyer to supplier, will be the exclusive property of buyer, and may not, without your express written consent, be used by the manufacturing supplier for other than the buyer and commissioned by buyer or copied, reproduced or transmitted to third parties in any form or by any reason.

6.2. As a repository of such information, models, tools, etc. the supplier shall fully liable for damages to STERN HIDRAULICA S.A. following the disappearance of the same and / or unauthorized use.

6.3. The supplier can not, under any circumstances, to communicate information to third parties written or oral, regarding the details of our facilities, or use photographs for its own publicity, without the prior written consent of STERN HIDRAULICA S.A..

ARTICLE 7 .- PRODUCTION AND SUBCONTRACTING PROGRAM

7.1. The supplier sent with the acknowledgment and acceptance of one planning request indicating the completion dates of each of the phases. Together with this planning will provide a list of work that the supplier thinks outsourcing, subcontracting considered approved if the buyer does not objection. In the course of obtaining our prior contract, the supplier assumes full

and at your own risk, responsibility for its proper implementation. buyer shall not be bound by any commitment to complete the order, has acquired the third party supply.

7.2. The planning delivered by the supplier will be considered by STERN HIDRAULICA S.A. as the base document for controlling and monitoring the work. STERN HIDRAULICA S.A. reserves the right to cancel the order partially or completely, in the case of observe a deviation from the planning of such magnitude that endangers any of the client's contractual requirements.

ARTICLE 8. - IMPLEMENTATION PLANS AND DOCUMENTS

8.1. The conditions of the order gives the list of documents and information and medium on which the supplier is contractually obliged to provide. All these documents should be sent to STERN HIDRAULICA S.A., department of purchases within the established deadlines.

8.2. At 15 days after receipt of documentation, STERN HIDRAULICA S.A. can make the observations it deems appropriate. In light of these observations, the supplier shall be resent the corrected documents.

After this period shall be deemed to STERN HIDRAULICA S.A. has no objection to the documents received, without affecting the liability of the Supplier.

8.3. The plans and final documents will be sent to STERN HIDRAULICA S.A. at the end of studies, and prior to delivery of materials.

ARTICLE 9. - MATERIAL PROPERTY OF STERN HIDRAULICA S.A.

9.1. All materials provided by buyer to supplier for assembly will be the exclusive property of buyer, the supplier shall keep in good condition.

9.2. The Supplier shall be responsible for any damage caused to any material owned to STERN HIDRAULICA S.A..

ARTICLE 10. -INSPECTIONS, TESTS AND TESTING

10.1. The buyer, its customer, or those properly delegated, reserve the right to inspect the material before shipment or in workshops stores supplier or its subcontractors. This inspection does not relieve the supplier compliance with their warranties and liability in respect of the supply order.

10.2. If following the timely inspection of any part of the work, the buyer decide that this is defective and / or disagree with the order, that party may reject, without this involves extra cost to buyer or modification of p1azos contract.

10.3. Unless otherwise stated, all costs of inspection, testing or tests shall be borne by the supplier, except those that correspond to personal expenses of STERN HIDRAULICA S.A. representatives.

10.4. The Purchaser reserves the right to waive the inspection Workshop without means renouncing their right to inspect the material at its destination. If the material was rejected at destination, or even later during the installation or commissioning of installation, inform the supplier to replace or repair equipment free of charge to the buyer.

10.5. After having informed the supplier, or discretion in an emergency, the purchaser may make the appropriate repairs, from the corresponding from the supplier.

10.6. In the event of such a trial, testing or testing without the presence of STERN HIDRAULICA S.A. representatives, the supplies delivered to checker copy of the report of the tests.

ARTICLE 11. - DATES AND DELIVERY CONTRACT

11.1. The conditions of the order indicates the deadlines for the implementation of supplier's contractual obligations.

11.2. The need for the buyer to ensure the collection of materials under to its line-up with the client, the supplier demands strict compliance agreed period, buyer may cancel the entire order or part thereof if exceeds the deadline.

11.3 Shall not be considered completed an order and, consequently, are not made payments that may be applicable, while not delivered all the materials and / or documentation required by the order.

11.4. STERN HIDRAULICA S.A. reserves the right to change the date of issue certain materials, without this implying buyer's expense, provided that the storage period not exceeding three months. From that period, the storage will be an agreement between the supplier and STERN HIDRAULICA S.A.

11.5. The transfer of ownership and risk to the buyer will occur according to the conditions specified in the order, according to ICC Incoterms 2000.

ARTICLE 12. - PENALTIES

12.1. The conditions of the order may provide for the application of penalties calculated on the total amount of order in the following cases:

- Delay on dates and contract terms
- Failure to comply with specifications, quality or commercial guarantees
- When STERN HIDRAULICA S.A. incur expenditure on any item above.

12.2. The absence of a definition of hardship in the order can not be interpreted as STERN HIDRAULICA S.A. a waiver of any claim for harm caused for failure to perform contractual obligations.

12.3. STERN HIDRAULICA S.A. will evaluate the performance of external suppliers, based on the nonconformities caused and compliance with the agreed delivery times, in accordance with the approved internal procedures.

ARTICLE 13. - REFERENCED, LABELLING AND PACKAGING

13.1. The supplier is obliged to reference or not divisible label each element of supply, so as to be clearly identified on the basis of documents contract. The supplier shall request the purchaser the procedure to follow for this purpose.

13.2. In all cases, even if the packaging is not part of the order, supplier is obliged to provide the following services free of charge:

- Provide the necessary means of support for the movement of materials during packaging.
- Ensure the protection and conservation of materials during maintenance and transportation operations by:
 - Mechanical protection of the machined parts.
 - Application of anticorrosive coatings
 - Installation of lifting lugs
 - Handling and wrapping of heavy elements and / or bulky pipes etc. .
 - Protection of fragile items with appropriate cartons
 - Protection of refractory products with plastic airtight and waterproof.

13.3. If in the special conditions specified that the packaging is part of order, the Supplier shall be responsible for choosing the type of packaging and category. The supplier shall request the buyer the procedure for the completion of packing and preparation of all documents derivatives.

ARTICLE 14. - SHIPPING AND TRANSPORTATION

14.1. The issue takes place after the tests and acceptance material, securely, packaging and marking.

14.2. The Supplier shall not be shipping the material until you have the authority of STERN HIDRAULICA S.A.

14.3. In all cases, even when transportation is not part of the order, will be at charge of supplying the load, the reference setting and protection of materials on means of transport.

14.4. In the case of transport included in the order, the supplier will be paid by the licenses, permits or authorizations, and payment of appropriate fees so (as the drafting of all documents associated with transportation and Transportation Security procurement).

ARTICLE 15. - WARRANTY

15.1. All manufacturing and materials are guaranteed at least a year from its commissioning against any manufacturing defects or implementation of works or visible or hidden defect. The supplier waives to that effect to the implementation of strict time limit laid down in article 342 of the Code of Commerce.

15.2. During the warranty period, the supplier is obliged, within a maximum of 10 days after service of notice, to execute any amendments, developed or arrangements may be required to meet the requirements of the order, and to replace parts of the material to recognize faulty or do not comply with committed, and all operations being responsible. The rejected materials are available to the supplier, who is responsible for removing them on their own.

15.3. After such period, STERN HIDRAULICA S.A. reserves the right to proceed to appropriate operations on behalf of the supplier, without the expense of damage and damages that may occur.

ARTICLE 16. - TEMPORARY SUSPENSION

STERN HIDRAULICA S.A. reserves the right to suspend or temporarily paralyze an order or part thereof, without this implying buyer's expense, provided that length of stay or suspension not exceeding six months.

ARTICLE 17. - CANCELLATION OF ORDER

STERN HIDRAULICA S.A. reserves the right to cancel an order or part thereof, without this involves expense of the buyer, on the part of supply produce any of the following circumstances:

- When not receiving the acknowledgment order
- When in the event of bankruptcy or insolvency of the supplier
- Where there is a breach of law or breaches of obligations to third
- When you begin your work in the agreed timeframe or prove negligence in execution
- When in the course of the works included in the order are found to delays or defects are identified that threaten in some way either contractual requirements STERN HIDRAULICA S.A. with the client
- When you exceed the deadline for the implementation of its contractual obligations
- When not respond to all direct or indirect harm himself or any of its subcontractors may cause to people, materials or STERN HIDRAULICA S.A. facilities of its customer or third parties during the development of its activity
- When exactly have not met the terms of order
- When if it fails its obligations regarding health and safety at work

ARTICLE 18. - INSURANCE

The supplier shall be responsible for all damages directly or indirectly that he himself or its subcontractors may cause persons, equipment or facilities STERN HIDRAULICA S.A. its customer or third parties during the course of its business, failure to observe the above may be cause for cancellation of the order. The supplier is obliged to impose the same requirements to their subcontractors.

ARTICLE 19. - PATENTS

The supplier shall hold harmless and defend, free of expense, buyer and others from using or selling the material, against any claim or action for infringement patent rights for inventions, "Copyright" or occupationally related trademarks or material sales.

ARTICLE 20. - PREVENTION OF ACCIDENTS

20.1. The supplier is obliged to know the risks of their activity professional means and measures for prevention and protection for coping as well as training their employees should possess commitment to effective implementation and use. The systems and equipment needed must necessarily be included in the price of supply.

20.2. The supplier undertakes to comply with all requirements of the legislation force on occupational risk prevention and safety standards STERN HIDRAULICA S.A. our client and SL Hydraulic The breach of obligations regarding health and safety at work could lead to a penalty

SPECIAL depending on the nature and extent of the infringement, and could even lead to termination of contract.

20.3. The supplier shall, and shall be responsible for up to date in meeting of their obligations at work, social security and accident insurance, and may be required by the buyer to duly documented.

20.4. In the event that STERN HIDRAULICA S.A. was forced to pay any amount in respect of subsidiary or joint liability arising from any failure by the supplier, or any of its subcontractors, for current legislation relating to occupational health and safety, STERN HIDRAULICA S.A. impact this amount against the supplier, less directly and order any of their bills, outstanding balances or guarantees the quantities has to satisfy. If this is not possible, STERN HIDRAULICA S.A. reserves the right to sue those amounts against the contractor, and this is undertakes to pay costs and expenses arising in the judicial claim, including the fees of attorneys lawyers and even if not prescriptive interventions.

20.5. The supplier is obliged to provide their staff and work teams necessary safety clothing according to the risks, which will be CE mark certified.

20.6. Multiple violations of safety and health may lead to order cancellation.

20.7. From the time the supplier, or any of its subcontractors, starts work assumes all civil or criminal liability arising of damage caused to persons or property resulting from activities staff in the work contracted.

ARTICLE 21. - FORCE MAJEURE

21.1. Force Majeure circumstances beyond that person pleading, abnormal and unpredictable, the consequences would have been unavoidable despite all efforts employed. The following may not be regarded as cases of Force Majeure: not general strikes, lockouts, factory closures paid holiday bad weather, cold, over-commitment of resources for inspection or enforcement supplier's because of other orders, potential delays of subcontractors, or similar.

21.2. The affected party shall disclose the other party by fax or mail in the shortest possible time the occurrence of the event Force Majeure, and within ten (10) days shall be sent by registered mail a test certificate issued by relevant authorities to confirm the event. The costs and expenses incurred by the Force Majeure will be discussed in good faith between the parties.

21.3. In the event that the duration of Force Majeure continues for more than sixty (60) days, the parties shall be entitled to terminate the contract and all obligations specified herein, including bank guarantees, they will by completed with the exception of payments for equipment and supplied or manufactured, services provided to date.

ARTICLE 22. - JURISDICTION

The applicable law shall be spanish law. The acceptance of the order by the supplier implies consent, and in case of dispute shall submit to the jurisdiction of the court and court of Tolosa, expressly renouncing any other that may apply.