

TERMS AND CONDITIONS OF SALE

1. - GENERAL.-

1.a.- SORALUCE HNOS, S.A. (hereinafter, the seller) shall deliver the parts subject to this proposal of sale pursuant to the Terms and Conditions of Sale referred to below, which, in case of discrepancies, shall prevail over any other purchase conditions which a third party (hereinafter, the purchaser) might remit or have remitted to the seller attached to his/her purchase order.

1.b.- Without prejudice to the provisions of Clause 1.a, no order received from the purchaser shall bind the seller, unless it is received in writing and the reception thereof is confirmed in writing by seller. In this sense, the order, by the mere fact of being accepted shall become subject to the provisions of these Terms and Conditions of Sale.

1.c.- No alteration to the provisions of the Terms and Conditions of Sale referred to below shall be binding and enforceable on the purchaser and/or seller, unless agreed by both parties in writing.

1.d.- Provided parts are offered through a catalogue and/or similar document, the seller reserves the right to modify the designs, specifications and/or technical characteristics thereof. Parts shall be manufactured as per the drawings and/or standards on which the tender is based. Should any variation occur, the drawing will be ratified by the purchaser.

2.- PRICES.-

2.a.- Sale prices of the part(s) shall be those quoted in this proposal of sale.

2.b.- Should important changes occur in the cost of any raw materials, coatings and/or any other components of the said part(s) and/or their processes; the prices thereof will be renegotiated between purchaser and seller.

3.- PAYMENT TERMS.-

3.a.- All parts will be paid within the deadlines and in the form agreed or pursuant to the customary form if the purchaser is a party with whom the seller has previously entered a contractual relationship.

3.b.- Should the purchaser not pay the entire amount owed within the deadlines set in Clause 3.a, the seller will be entitled to adopt without exclusion of any other remedies to which the seller may be entitled, the following measures: (i) Suspend all shipments pending in relation to the purchase order in question until all the amounts owed were finally paid; (ii) cancel the purchase order in question and be indemnified for all the costs and/or expenses accrued and for all the damages suffered until date of cancellation; and/or (iii) modify the price should the quantity of parts foreseen in the order be latter on materially reduced by the purchaser.

4.- TRANSPORT AND DELIVERY.-

4.a.- Unless otherwise stated by the seller in the proposal of sale and pursuant to the provisions thereof, all parts will be transported at the purchaser's risk, assuming the latter the full cost of transport. Any additional costs arising from the delivery of the parts to the purchaser shall be met, in full, by the purchaser.

4.b.- Should the purchaser refuse to take delivery of the parts in the agreed deadline, and in any case, as established in the seller's proposal of sale, the seller shall be deemed to have made the pieces available to the purchaser within the agreed deadline and the purchaser shall be deemed to have rejected them. In this case the parts will remain with the seller at the purchaser's risk, and the purchaser shall meet any storage, manipulation, etc., costs that may arise, unless the purchaser agrees a new delivery date for parts with seller expressly accepting additional costs invoiced by seller due to initial rejection thereof.

4.c.- Agreed delivery dates stretching out over a period of time pursuant to a planned schedule cannot be altered unless by mutual agreement of purchaser and seller.

4.d.- Any agreed delivery date and/or included in a proposal of sale shall solely and exclusively be deemed to be an estimate.

4.e.- Seller reserves the right to deliver pieces to the purchaser in amounts not exceeding, by defect or excess, a 10% of those previously ordered by the purchaser on the purchase order and/or accepted at the time by the seller in the sales proposal. This margin will be deemed expressly accepted by the purchaser, who waives the right to exercise any entitlements and/or rights against the seller for that reason.

5.- QUALITY AND DEFECTS.-

5.a.- Should defects be detected that impede a correct use of parts, and provided the seller is notified of those defects within 15 days (one week if a rust problem) from the date of delivery of parts to purchaser, the seller will replace the defective parts as soon as possible by means of direct transport.

5.b.- Should immediate replacement not be possible, the selection of the defective batch will be authorised; such authorization shall only be granted in this instance, and always in writing. Said selection will be interrupted once the purchaser receives the new batch dispatched. The purchaser will declare the cost per hour of the selection process, the hours employed and number of defective parts singled out, that shall be sent back, separated and identified, with the rest of returned batch. Seller will arrange defective part return transport.

5.c.- Should returned parts already have been paid for by the purchaser, the seller will reimburse the corresponding invoice issued by the purchaser, once it is duly accepted. In any event, administrative and/or similar costs incurred by the purchaser will be excluded from said invoice. Under no circumstance may the purchaser deduct the amount of the returned parts from the seller's other invoices pending payment.

5.d.- Seller will adopt the necessary measures to assure the quality of the parts and their compliance with technical specifications, observing PPMs provisions established under the ISO-16426 standard, unless the seller accepts different conditions mutually agreed upon, which shall in any event appear on the corresponding purchase order. PPMs will be measured on a 12 month consumption of the part(s) object of the problem. In any event, the seller will under no circumstance accept charges if, having the batch been selected, the result meets that agreed on the purchase order.

5.e.- The purchaser shall compensate the seller for any claim received by the seller in relation to any damages, loss of profit and/or similar directly or indirectly arising from the use and/or application which the purchaser and/or any third party might make of the parts.

5.f.- Except as established in the preceding paragraphs, the seller will not be under any responsibility whatsoever before the purchaser of the parts, who waives any entitlement and/or right before the seller beyond those so established.

6.- OWNERSHIP.-

6.a.- The parts shall be at the purchaser's risk from the time the seller makes them available to the transporter hired by the purchaser for the delivery, and in any event the provisions of the corresponding proposal of sale shall apply.

6.b.- All rights of ownership over the parts shall remain with the seller until they are fully paid by the purchaser.

6.c.- Until the seller is fully paid for the parts, the purchaser expressly undertakes to keep them separate without mixing with other parts, maintaining intact and not tampering with the seal and/or marks identifying the seller as legitimate owner thereof.

6.d.- Once payment of the parts has fallen due and the purchaser has not made full payment thereof, the seller may at any time claim repossession of the parts, notifying the purchaser in writing. In such instance, the purchaser expressly accepts to remit all the parts to the seller assuming all costs and risks of their return transport.

6.e.- The seller's rights arising from this 6th Clause shall be understood to be additional and without prejudice to any right or remedy against the purchaser to which the seller may be entitled pursuant to the law in force.

7.- PENALTY.-

The purchaser shall indemnify the seller for any damages, penalties, sanctions, costs and/or expenses suffered by the seller and/or for those for which the seller is declared liable before a third party due to a direct and/or indirect action of the purchaser.

8.- FORCE MAJEURE.-

8.a.- Should either party (purchaser and/or seller) delay or not meet their obligations to deliver, and/or take delivery of, the parts for their sale to third parties due to strikes, riots, business closure and/or any other similar circumstance beyond their control, they shall be released from their obligations as purchaser and/or seller insofar as compliance of these obligations had been frustrated, impeded and/or made impossible due to concurrence of any of the said circumstances. In that event, the purchaser shall reimburse the seller for each and every one of the costs and/or expenses the latter had incurred for tasks carried out and/or materials used prior to concurrence of such a circumstance.

8.b.- The purchaser shall adopt all necessary and sufficient measures so that in the event of a sale or transfer of the purchaser company (or a part thereof) to a third party, the acquirer thereof assumes the obligations corresponding as purchaser of the goods object of the proposal of sale guaranteeing the seller full satisfaction of seller's claims.

8.c.- The purchaser may not without the seller's express written consent: (i) grant any guarantee in relation to the seller's parts; (ii) sell the parts on behalf of the seller and/or; (iii) use any mark and/or name that makes the purchaser appear out as the seller's agent.

9.- LAW AND JURISDICTION.-

Spanish Law is applicable to this proposal of sale, and the courts of justice of the city of San Sebastian shall have exclusive jurisdiction regarding any controversies which might arise herefrom between the purchaser and seller.

The content of this document is regulated, and will be construed, according with our General Conditions of Contract, which are duly deposited at the General Conditions of Contract Registry of Guipuzcoa (File number 1 - numbered Leaf 4) dated 15th February 2008.