



**GENERAL SALES
CONDITIONS**

1| General provisions

These conditions determine the rights and obligations of MFA (hereinafter the vendor) and the buyer in any supply, work, or service contract.

These provisions will form part of the contract's content, except for any particular conditions that the parties explicitly agree to in writing.

Changes and agreements will only be binding for the vendor after they have been confirmed in writing. The buyer's purchasing conditions are only binding if they are explicitly accepted in writing by the vendor.

2| Bids and orders

- ▶ **2.1|** Unless stated otherwise, the prices applied will be FCA according to Incoterms 2010.
- ▶ **2.2|** The bids and purchase orders will be drawn up based on the technical conditions the buyer specified, indicating the unit prices, amount, delivery deadlines, inspections and controls required to be accepted, not including packaging expenses, load handling not specified in the bid, as well as the value added tax or other charges not expressly included in the bid.
- ▶ **2.3|** Any change to the technical specifications, designs, or products to supply, as well as the transportation, packaging, or delivery deadline conditions offered need to be in writing and will authorize the vendor to make changes to the price, delivery deadlines, or even cancel the bid. Any change will need to be explicitly accepted in writing by the vendor to be valid. The buyer will pay any expenses generated by the changes when the corresponding invoice arrives.
- ▶ **2.4|** If there are any additional charges due to legal or tax changes, or any other kind of change, regardless of the parties' intentions, the vendor reserves the right to modify the order's final price, delivery deadline and conditions, according to the Incoterm in force.
- ▶ **2.5|** The bids will be valid for 60 calendar days unless the vendor indicates otherwise. The vendor must accept any extension of the term of validity in writing. That extension might affect delivery times depending on the vendor's workload.
- ▶ **2.6|** The supply or trade will be complete when the buyer accepts the vendor's bid, sends their acceptance in writing, and confirms all the technical aspects that will be part of the contract.
- ▶ **2.7|** If the contracts do not specify the controls or testing to be done of the products to supply, the vendor will undertake any it considers appropriate according to their experience and the vendor product's technical specifications (ETJ specifications, etc.). If any other inspection were needed, it must be requested in writing by the buyer and specified whether it will be done in the JEZ plant or labs unrelated to the company and will be included in the corresponding contract.

3| Delivery conditions

- ▶ **3.1|** The delivery times included in the bid will not start until acceptance and notification in writing of the bid's acceptance by the buyer to the vendor and until the buyer confirms all the documents, designs, and technical specifications needed for manufacture. If the payment method agreed is credit card, the delivery time will not start until its opening is confirmed.
- ▶ **3.2|** When the bid is accepted, the vendor has to ratify the proposed delivery plan. If there are any unexpected changes in production, the vendor should propose a new delivery plan for the buyer's acceptance.
- ▶ **3.3|** As a rule of thumb and unless explicitly accepted by the vendor in the contract, no charges or penalties will be accepted for delivery delays or any invoice withholdings. Those charges, if any, may never exceed 5% of the order total. Under no circumstances will they be accepted if the delay was due to reasons beyond the vendor's control, including force majeure. Force majeure includes natural events, strikes, serious industrial disruption, purchase item rejections, as well as any circumstance that make delivery very difficult or impossible. Force majeure will give the vendor the right to cancel delivery while the obstacle is in place or annul the part of the contract not completed.
- ▶ **3.4|** In case of work being stopped or canceled, the vendor will have the right to invoice the buyer for the products manufactured as well as the materials purchased and/or gathered to the date of the notification of the work being stopped, notwithstanding it restarting later.
- ▶ **3.5|** Unless otherwise determined, the vendor may undertake partial deliveries if it so deems appropriate.
- ▶ **3.6|** The buyer will have seven business days from reception of the goods at the destination to notify the vendor of their nonconformity with the amount or quality of the parts received.
- ▶ **3.7|** Until the contract has been fully paid to the vendor, the vendor reserves the property rights to all of the supply.

4| Machining tools and patterns

- ▶ **4.1|** The machining tools and casting patterns will be owned by the vendor except when specifically agreed and invoiced for their full value.
- ▶ **4.2|** The vendor may charge for the safekeeping and storage of the patterns owned by the buyer.
- ▶ **4.3|** Modifications and repair work on casting patterns owned by the vendor will be invoiced separately and will not transfer ownership rights to the buyer.
- ▶ **4.4|** The vendor may request the buyer remove the pattern after two years without it having been used. If the buyer were to say no or not respond within a week of the notification, the vendor will have the right to destroy those patterns.

5| Method of payment

- ▶ **5.1|** The terms and method of payment will be determined in the confirmed order – contract. If not specified in the contract, payments will be made within 30 calendar days.
- ▶ **5.2|** If work were to be stopped by the buyer for more than a year, the vendor will have the right to request new prices for the supplies pending.
- ▶ **5.3|** If an agreed payment is delayed, in absence of any other agreement, the default interest envisaged in article 7.2 of Law 3/2004, of December 29th, on the fight against bad debt in commercial transactions will apply.

6| Guarantees

- ▶ **6.1|** The vendor guarantees all the supplies as established in the “JEZ Sistemas Ferroviarios’ General Guarantee Conditions.”

7| Intellectual property and confidentiality

- ▶ **7.1|** When the vendor manufactures in accordance with the designs supplied by the buyer, the buyer releases the vendor from any liability for possible third party intellectual property claims on the designs supplied.
- ▶ **7.2|** The buyer undertakes to keep all the written, graphic, or verbal information about the product supplied by the vendor as well as the information provided in the bid phase confidential.
- ▶ **7.3|** The sale contract for the goods affected will never imply the transfer of their intellectual property, which will remain exclusively in the hands of the vendor.

8| Applicable law

- ▶ **8.1|** Contracts will be governed by Spanish law.

9| Causes for contract termination

- ▶ **9.1|** Termination of the legal personality of any of the parties will be cause for termination.
- ▶ **9.2|** Bankruptcy, suspension of payments, insolvency proceedings, or insolvency on the part of either the parties will be cause for termination, notwithstanding the rights and actions to which any party may be entitled.

- ▶ **9.3** | Non-compliance by the vendor or buyer of any of the obligations assumed under these general conditions will be cause for termination.
- ▶ **9.4** | Buyer non-payment of any of the invoices issued by the agreed deadline will be cause for termination.
- ▶ **9.5** | Mutual agreement by the parties will be cause for termination with the effects established therein.
- ▶ **9.6** | Notwithstanding the provisions in article 3.3., the vendor may terminate the contract in cases of force majeure.