

## 1. SCOPE OF APPLICATION

- 1.1 The present General Conditions of Purchase applies to all Alcorta USA Inc.'s (hereinafter to be referred as ALCORTA) purchase of goods and services.
- 1.2 ALCORTA will provide one copy of the present General Conditions of Purchase to the vendor Company or Subcontractor (hereinafter to be referred as Vendor) when placing an order, which form an integral part of the order.
- 1.3 These General conditions can be complemented by special Conditions established specifically for one or several specific orders made by ALCORTA (hereinafter to be referred as Special Conditions). In case there are discrepancies between some conditions with others, the Special Conditions shall prevail.
- 1.4 Any change or exception of these General Conditions made by vendor should be accepted by ALCORTA in written in advance, and only applies to the specific Order for which has been proposed.
- 1.5 Therefore, the signing of the vendors' sales forms or, in case, there're General Conditions of sales from Vendor, does not exempt the application of the present of General Conditions, which shall prevail, in any case, except with previous written acceptance by ALCORTA of the conditions stipulated in these conditions with express repeal, partial or total, of the present General Conditions.

## 2. PURCHASE ORDERS/ORDERS

- 2.1 All ALCORTA's commission that are not supported by a contract, should be supported by one Purchase Order, or, in effect, by one quotation accepted in written.
- 2.2 The Purchase Orders include the description and the characteristic of the goods and services to be provided with the following terms:
  - Code and/or description of the product or service
  - Quantity
  - Delivery term and location
  - Unit price and total amount
  - Payment terms and method
- 2.3 All supplies should comply with the conditions stated in our order. Any disconformity of conditions should communicate in written and obtain ALCORTA's acceptance before continuing with the supply process.
- 2.4 The Vendor should send the order, duly signed, to ALCORTA's Purchase Department within maximum seven (7) nature days from the reception date.
- 2.5 The reception by ALCORTA of the order, signed by the vendor, means the acceptance of such order, and of the present General Conditions, as well, when applicable, of the content of the Special Conditions.
- 2.6 The simply performance of the order without express acceptance by the Vendor in advance, in accordance with the content of previous paragraphs 2.4 and 2.5, means, in the same way, the acceptance of the present General Conditions.

- 2.7 ALCORTA reserves the right to cancel the Order in case of any noncompliance of any special or general conditions stated in such documents, with which should not be raised any claim by the vendor, who should return the amount paid by ALCORTA till that moment.
- 2.8 As required, all goods should be delivered with the correspond quality certification.
- 2.9 Till the moment of reception of the goods by ALCORTA, the risks of any loss or damage of the goods should be borne by the vendor.

### **3. SUBCONTRACTING**

- 3.1 The Vendor should not subcontract the performance of order, total or partially, without ALCORTA's written authorization in advance.
- 3.2 The obtain of such subcontracting authorization means that the Subcontractor accept the present General Conditions of Purchase from the moment that begins to provide his service to ALCORTA.
- 3.3 In any case of subcontracting, the Vendor is jointly responsible, together with the subcontractor, to all his obligations to ALCORTA, who could take corresponding legal actions indiscriminately against the Subcontractor and/or the Vendor itself.

### **4. TRANSPORTAION AND PACKAGING**

- 4.1 The transportation conditions should be defined in the purchase orders by Incoterms. In case the conditions are not defined, the default Incoterms are CIP (Carriage and Insurance Paid at agreed destination) for Intra-Community transit, and DDP (Delivered, Duty paid at agreed destination) for Extra-Community transit.
- 4.2 The delivery of goods and products should be done on the date, at the location and under the conditions agreed in the Contractual Document.
- 4.3 All packages, boxes, bundles, etc..., should be packed properly for their transportation, conservation and storage. The vendor shall comply with the packaging instruction provided by ALCORTA if there is one.
- 4.4 The Vendor is responsible for the bump damages, corrosion, etc..., caused by the improper packaging of product. The vendor should assume all the costs derived from improper packaging or from incorrect handling or transportation.

### **5. INSPECTION AND ACCEPTANCE**

- 5.1 ALCORTA reserve the right to inspect all contracted material and/or equipment at the manufacture, storage or service location. Therefore, ALCORTA's authorized representatives and our customer's authorized representatives shall have free access at all times (upon request), during the period of performance of the contractual services, to the workshops or plants locations of the vendor and/or

- subcontractor, where the contracted material and/or equipment is manufactured, stored or in service.
- 5.2 The material shall not be considered as accepted until there's express acceptance from our Quality control department, or alternatively, from the person or department who issued the order, after verify the conformity of the applicable quality standards in each case.
  - 5.3 The defective material found, either during material reception, manufacture process or its performance after, will return to the vendor using freight collect, as it's vendor's responsible of the expenses that could incur as consequence of the non-quality problem found.
  - 5.4 However, if the production requires so, ALCORTA will select or make necessary rework to repair the defects found. The vendor shall bear the expenses that may incur due to these actions.
  - 5.5 Delivery before or after the agreed date shall not be accepted unless there's express consent from ALCORTA. ALCORTA reserves the right to reject the goods in case that the product does not comply with the agreed requirements or does not comply with the delivery terms (Transportation / Packaging).
  - 5.6 Delivery of partial quantity or quantity greater than requested will not be admitted, unless it is stated in the order or is applied expressly in written. In case the received quantity is greater than requested in the order, the excess quantity will be return to the vendor using freight collect borne by vendor.
  - 5.7 ALCORTA reserve the right to accept or reject the provision of the excess quantity greater till 10% of the requested quantity in the order, likewise, ALCORTA will only admit quantity error of  $\pm 1\%$  of the quantity recorded on the vendor's delivery note.

## **6. ASSOCIATED DOCUMENTATION**

- 6.1 Each shipment will attach one delivery note or packing slip on which indicates the order number, the delivery dateline, reference, product description, quantity, price, delivery address, and the name of the person who placed the order.
- 6.2 Each bundle should be identified with one label on which are recorded the order number, reference, product description and quantity.
- 6.3 In special cases of Raw Material, heat treatment or surface coating vendors, the goods should be delivered together with corresponding material certificates and with the documentation of tests done by the vendor that ensure the fulfillment of requirements required of the product and stated in the order.
- 6.4 The Raw Material vendors should take into account of the special specifications of each material.

## **7. PRICES**

- 7.1 It is understood that the prices defined on the order are fixed and unalterable, unless there's a written agreement says the contrary, and include the totality of goods or services contracted, as well as any expenses that the vendor should assume for the realization of the supply or provision.
- 7.2 The prices fixed on the order do not include the Value Added tax.

## **8. INVOICE AND PAYMENT TERMS**

- 8.1 The vendor shall issue one invoice, which shall associate, where applicable, to the packing slip.
- 8.2 ALCORTA could issue Auto-invoices, if it is stated in the Special Conditions.
- 8.3 The invoices should be received by ALCORTA's Administration department within first 3 days of the next month from the supply or performance date.
- 8.4 The invoice should include the order number, reference, product or service description, packing slip number, unit price, total amount, date, due date, business name, tax identification number, bank account (in case of bank transfer) and address.
- 8.5 The invoices that do not comply the requirements stated in the purchase conditions will be returned to the vendor, and the due date will be counted from the acceptance of the new invoice.
- 8.6 The default payment method and term are 60 days certified, although could be negotiated case by case with each vendor and stated in Special Conditions and/or on the order.
- 8.7 Change of bank account number that receives ALCORTA's payment should be issued in written with details of SWIFT code of the account to be replace, the SWIFT code of the new account to be used, an original bank certificate of the new account's holder and the contact person to verify the change.

## **9. GUARANTEE**

- 9.1 One year of guarantee period is established for the goods supplied, unless in cases that a longer guarantee period is established by law or in Special Conditions, which will be counted from the delivery date or actual implementation, with vendor's promise of repair or substitution, by ALCORTA's choice, of the damaged, defective or incomplete parts.
- 9.2 The vendor guarantees that the products, goods, or equipment are homologated properly and comply with all applicable standards in force, including the Industrial and Intellectual Property rights and, specially, with those related to safety of the products, which obligate, as consequence, to indemnify, defend ALCORTA and hold it harmless from any action, claim, expense, liability, sanction, loss, cost and

damage, including attorneys' fees, in which ALCORTA may incur in relation to the products, goods and/or equipment supplied.

- 9.3 The vendor entirely assumes the responsibility of the loss or damage of property owned by ALCORTA which is temporarily in its possession.

## **10. VENDOR'S OBLIGATIONS**

- 10.1 The vendor promises to comply and make his employees, and where applicable, his contractors and assignees, comply with the legislation in force of Tax, Labor, Social Security, Work Safety and Health and Environment Protection and any other legal nature that is applicable, as well as respect, in case of activities developed in ALCORTA's facilities, the Work Safety and Health and Environment Protection policies that ALCORTA adopts.
- 10.2 The vendor guarantees to respect at all times the social values, and specially not to employing child labor during the production, handling or distribution of the products or goods to be supplied.
- 10.3 For this purpose, ALCORTA could request the vendor any documentation, technical and/or legal, that is necessary for supply or provision of service, of compliance with the legislation in force in all times.
- 10.4 On the other hand, the vendor shall submit to ALCORTA, under the European directive of technical harmonization of supply and commercialization of specific products, the Conformity with European CE certificate of the product, as well as the Declaration of Conformity from the Vendor, in order to be able to verify the CE marking that should shown on the supplied product as well as on the packing slip, together with all information relative to such marking that should be attached.
- 10.5 The vendor shall ensure that the products, processes, or services, comply with the legal and regulation requirements applicable in the country of reception, country of delivery, and country of destination if so indicated.
- 10.6 The non-compliance or partial compliance of such obligations will constitute sufficient cause for the cancellation of the contractual relationship among the parties.

## **11. INSURANCE**

- 11.1 The vendor shall indemnify all damages and injury, personnel or material, that, as consequence of the execution of the order, could cause to ALCORTA or third parties or, where applicable, repair or substitute the damaged goods, when the nature and the purpose of the goods allow so.
- 11.2 For this purpose, and independently from all the compulsory insurances that are required by the legislation in force for the correct execution of the order, the vendor is obligated to constitute a Social Liability Insurance Policy, which should

cover possible contingencies que could result to third parties, including ALCORTA itself.

- 11.3 In Special Conditions or on the order itself, attending to its object and own characteristics, could set the minimum amount of the Social Liability insurance above-mentioned, as well require the vendor the contracting of additional insurance to the above-mentioned when necessary.
- 11.4 In case it is requested, the vendor should communicate with ALCORTA about the appropriate insurance coverage of commercial risk held with ALCORTA.

## **12. CONFIDENTIALITY**

- 12.1 Information that provided by ALCORTA to vendor is confidential.
- 12.2 The vendor shall only use the information provided by ALCORTA during the provision of services and as a result of the completion and/or process of the order.
- 12.3 The vendor promises to maintain the duty of secrecy and confidentiality, transferring this duty to the persons or entities (employees, personnel or companies subcontracted, interns, etc.) or those who have access to such information during the performance of his functions and obligations related to the services provided.
- 12.4 The persons and entities above-mentioned in the previous paragraph and have access to the confidential information of ALCORTA during the provision of service, do not have the permission to reproduce, public, disseminate or inform third parties of such information without prior authorization from ALCORTA.
- 12.5 The vendor promises to take security measures required by the legislation in force, as well as the measures that the vendor applies regarding to its own confidential information in order to guarantee the confidentiality. In case of subcontracting, the vendor should inform the person(s) or company(s) of the existence and obligation to comply with this clause, either by a confidential agreement of their own, or by an acknowledge of receipt.
- 12.6 The confidential obligations here stated have an indefinite duration, which will keep in force after the termination of the relationship between ALCORTA and the vendor, and, where applicable, between the vendor and the person(s) or company(s) subcontracted for this.

## **13. NONCOMPLIANCE**

- 13.1 In case that the vendor does not comply any of the obligations stated, it will face a scale of penalty established in each order, and where applicable, established in the Special Conditions, all without prejudice that ALCORTA take corresponding legal and contractual actions.

## 14. ORDER CANCELLATION

14.1 The contract will be terminated due to its expiration or early termination. ALCORTA have the right to early terminate the contract in any of the following cases:

- The noncompliance of the vendor of the Legislation in force, and specially, of labor, social or tax obligations relative to the personnel for the execution of the order.
- The noncompliance of the present General Conditions or any other documents the forms part of the order, considering that such noncompliance, as undue delay of the execution of the supply or service object of order.
- The noncompliance of the vendor and/or his subcontracted person(s) or company(s) of their obligations stated in the clause 12 of the present document, without prejudice other responsibilities that could incur.
- The extinction of the legal person of the Company or the sales or transfer of the Company or the transformation to another legal entity.
- The assignment of the contract, total or partial, without previous authorization, express and in written, from ALCORTA.
- The petition of bankruptcy of the Company.
- Mutual agreement among parties.

14.2 In case of early termination, ALCORTA could claim the goods without further conditions that the payment corresponding to the works actually done to that date, after which the vendor should deliver the goods immediately.

## 15. TOOLINGS / MATERIAL / PARTS

15.1 In case that the machine / tooling / parts, etc. ... are property of ALCORTA and are located in the vendor's facilities, must comply with a warehousing procedure.

15.2 The vendor shall be responsible of the custody and the stock deviation of the inventory(s) checked unless there's individual agreement with ALCORTA.

15.3 The depository, when put in his possession the tools that are consigned to him, should take care of them with due diligence, and be responsible of any damage or harm that may occur to them.

15.4 In case of the bankruptcy of the depository, the depository is obligated, in case of seizure the assets deposited, to make the pertinent protest and adopt all measures necessary to assert ALCORTA's ownership of such assets, without prejudice the actions that ALCORTA might take to defend its interest. In any case, the depository should inform such situation to ALCORTA immediately.

## 16. RECEPTION AND VALIDATION

16.1 In order to process the validation of the products purchased or subcontracted (measurement and control tools, machine, facilities, equipment, parts, services,

etc. ...) by ALCORTA, it is necessary to prove that they comply with the specifications on the placed order, as well as the specifications quoted by the vendor.

- 16.2 When the validation Responsible from ALCORTA (the Responsible of purchase department) approves the clearance, the payment will be proceeded according to the special conditions of each Purchase Order.

## **17. POST-SERIAL PRODUCTION SERVICE**

- 17.1 In case that the vendor provides a transformation or specific and unique treatment service for a serial product, it has the obligation to keep providing such service for a period of 15 years after the termination of the serial production. If such term supposes a verifiable and demonstrable change of cost for the Vendor, new economic conditions should be agreed without prejudice the Vendor's obligation of continuous provision of such service.

## **18. FORCE MAJEURE**

- 18.1 None of the parties is considered responsible for the noncompliance of its contractual obligations when the execution of such obligations delays or is impossible to be done as consequence of force majeure as defined in the article 1.105 of Spanish Civil Code, which should inform the other party within a maximum of 48 hours.
- 18.2 The stipulated delivery term will be postponed for a period equal to the lost time caused by the force majeure. In case that the force majeure subsists after the delivery term which were already postponed for this purpose more than 90 days, ALCORTA will inform the Vendor if the contract continues or terminates.

## **19. PROTECTION OF PERSONAL DATA**

- 19.1 For the purpose of the article 28 of the General Data Protection Regulation 679/2016 (GDPR), as a result of the provision of Service that the vendor and/or, if applicable, some employee of the Vendor, has access to personal data. In this case, the Vendor promises to sign a contract corresponding to the data processing with the Customer, which should contains the minimum requirements stipulated by GDPR: (a) processes the personal data only on documented instructions from the customer, including with regard to transfers of personal data to a third country or an international organization, unless required to do so by Union or Member State law to which the vendor is subject; in such a case, the vendor shall inform the customer of that legal requirement before processing, unless that law prohibits such information on important grounds of public interest (b) ensures that persons



authorized to process the personal data have committed themselves to confidentiality or are under an appropriate statutory obligation of confidentiality (c) ensures the implementation of technical or organizational security measures necessary according to the risk from unauthorized processing, access or disclosure of the personal data, as well to prevent risks from accidental or unlawful destruction, loss, or alteration, and from otherwise unlawfully processed (d) taking into account the nature of the processing, assists the customer by appropriate technical and organizational measures, insofar as this is possible, for the fulfillment of his obligation to respond to requests for exercising the data subject's rights (e) returns to the customer or destroys the personal data and the supporters that contain such data once the possession of such data by the vendor is no longer necessary and, in all cases after the end of the provision of services and (f) makes available to the Customer all information necessary to demonstrate compliance with the obligations laid down in this Article and allow for and contribute to audits, including inspections, conducted by the Customer or another auditor mandated by the customer (g) informs the Customer without undue delay in case of a security breach.

## **20. CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY**

### **20.1 CORPORATE SOCIAL RESPONSIBILITY:**

ALCORTA requires his vendors to develop policies of social responsibility and sustainability in order to comply with the laws and standards in force in applicable fields covering:

- Child, underage and forced labor
- Salaries, working hours, health and safety
- Freedom of association
- Harassment, discrimination
- Corruption and extortion
- Fair competition and antitrust
- Environment protection, energy consumption, water, air quality and chemical substance administration

### **20.2 RESPONSIBLE RAW MATERIAL SOURCING**

ALCORTA requests his vendors to set up its own responsible raw material sourcing policy, to act diligently to know the origin of its raw material, not supply products consciously that contributes to the abuse of human rights, corruption and ethnic violation, and uses valid suppliers not involved in any conflict for the sourcing of tungsten, tantalum and gold contained in the products produced. In case of acknowledgment of any related question ALCORTA should be informed.

## **21. GOVERNING LAW**

- 21.1 The order shall be governed by the law of fiscal domicile of ALCORTA, the order sender.
- 21.2 The General Conditions of Purchase and orders to the vendor shall be governed by the Laws of the State of Michigan. The Parties agree to submit all litigation resulting from the execution, validity, existence, scope, content, suspension, cancellation or interpretation of the orders or the General Conditions of Purchase to the courts and tribunals Huron County, Michigan of the city of Chattanooga, and expressly waive all other rights and privileges of domicile.