

GENERAL CONDITIONS FOR SALE



1°.- **AAF-SA** undertakes to supply only those materials and services which are stated on this offer, under the conditions hereby stated.

2°.- **WARRANTIES:** **AAF-SA's** supplies are guaranteed as set out below:

2.1.-For Materials and Workmanship: for all failures over a period of time of one (1) natural year, as from the date when the equipment was actually sent, and except for the cases listed below:

- a) This warranty does not include, unless otherwise stated on the offer, any effects of corrosion and/or abrasion.
- b) Replacement of any parts subject to wear, which may have an average life shorter than the warranty period, shall be at the Purchaser's expense. As for replacement of those elements with an average life over the warranty period, AAF-SA shall only be responsible for the proportional amount equivalent to the warranty period still to be covered.
- c) Any components manufactured by the Purchaser or by any of its subcontractors will not be covered by this warranty.
- d) Any components which are not AAF-manufactured are guaranteed in so far as the original manufacturer covers them. Replacements shall be carried out ex-works.

2.2.- For Operation: according to the details stated on the particular offer, and undertaking to introduce, over a period of time of up to a (1) natural year as from the date when the supplies were actually delivered, any changes regarding design which are deemed necessary for correct operation; except for the cases listed below:

- e) Warranty for equipment operation shall only be valid for the system described on this offer, which in turn refers to the basic technical data supplied by the Purchaser.
- f) Should a particular component not be included as AAF-SA's supplied, the warranty for operation shall only be applicable if this component had been made with AAF-SA's engineering and if this Company's engineers had both controlled and supervised its materials, manufacturing, installation and start up.
- g) A number of tests shall be needed in connection with the warranty for operation. One of AAF-SA's engineers shall be in charge of their supervision, listing his/her services as Engineering Services for Measuring and Start Up, and fully completing this process in the period of six (6) months as

from the system's start-up date. Any expenses resulting from the process involving these tests shall be borne by the Purchaser.

- h) AAF-SA's instructions shall be carefully followed at all times - before, during and after the different test runs - regarding handling of equipment.

The warranties listed above are the only ones offered by AAF-SA, thereby excluding any other type of warranty, be it implied or explicit. Under no circumstances shall the duties undertaken by AAF-SA exceed ten (10) per cent of its supplies. Regardless of any other agreement or clause, AAF-SA shall never be held responsible for any damages, claimed either by the Purchaser or by a third party and be it either "consequential or indirect", included here but not restricted only to production losses or loss of benefits whatever their cause may be, included here but not restricted only to any delay, error or omission on the part of AAF-SA; besides, AAF-SA shall under no circumstances be held responsible for any losses, claims or damages, connected either with people or with property, arising as a result of the dangerous nature, be it foreseeable or not, of those materials processed by the equipment which was ordered.

3°.- ACCEPTANCE OF THE SYSTEM:

Acceptance by the Purchaser of the equipment and services described on this offer is hereby defined as the Purchaser's agreement, be it implied or explicit, with the fact that all the elements supplied by the Seller are as per the specifications on the offer, and that they operate according to the efficiency criteria also on the offer. The lack of a written document stating the details as to why the equipment cannot be accepted, to be issued before the date given below, shall be taken as the Purchaser's acceptance. The maximum period for acceptance of the system shall under no circumstances be over thirty (30) days as from the date when installation was completed. Should the customer have its own reasons to delay the start-up date, the system shall be checked and put in good order for the actual start-up by AAF-SA's personnel, but having the customer bearing the cost and taking care of any materials or labour which may be needed.

Acceptance shall never be rejected as a result of the effects of the system's normal operation, should the Purchaser fail to handle the equipment with the care to be expected and according to the instructions for operation and maintenance or, finally, if there were a loss of efficiency or damages as a consequence of something outside the system which the Purchaser had failed to specify before the offer was issued.

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4°.- LIABILITY:

AAF-SA shall not be held responsible for any damage, loss or delay in delivery as a result of any fire, flooding, strike, warrant from the courts or the Government, revolt, riot or of any other unforeseeable circumstances or act of God. The above shall also apply in the event of the circumstances listed above applying to other firms subcontracted by AAF-SA in connection with the equipment subject to this offer.

5°.- Prices quoted on this offer, unless otherwise explicitly stated, shall be taken as net and for goods served in our Workshops.

6°.- The Purchaser shall bear the cost of any taxes payable to any authorities in connection with this operation which may apply to sales, use, consumption and storage.

7°.- Should the Purchaser be the cause of any delay to have the full system delivered, the Seller will have the right to charge for the resulting storage and handling costs, according to common practice and terms; the Purchaser hereby undertakes to make this payment within thirty (30) days as from the date the invoices are submitted.

8°.- AAF-SA reserves the right to choose auxiliary equipment for the system hereby offered, both as regards type and manufacturer, unless the purchaser specifically states a particular preference on the specifications for the offer. Apart from the aforementioned specifications, the Purchaser shall pay AAF-SA any additional cost arising from the Purchaser's wish to change the equipment, once invoices have been submitted and with a 15% extra charge; besides, the Purchaser shall also pay AAF-SA on submittal for any extensions or changes on the original agreed design, also bearing a 15% extra charge. Any additional services involving personnel and due to the aforementioned extensions or changes (engineering, installation, travelling, catering, etc.) shall be borne by the Purchaser, and paid to AAF-SA on submittal of invoices as Administration expenses, with normal prices charged at the time when the above services were provided.

9°.- Once the Purchaser has placed the actual order and AAF-SA has accepted it, it is understood and explicitly accepted that, should the

Purchaser cancel or refuse to accept the equipment or to carry out the work hereby discussed, either totally or partly, then AAF-SA shall have the right to have the Purchaser pay, as settlement for damages rather than as a penalty, for the cost of the equipment and/or services provided by AAF-SA up to the date of cancellation or refusal, plus a 15% extra charge.

10°.- AAF-SA reserves the right to introduce any changes it deems necessary whilst the work is being carried out, according to its improvements and new techniques.

11°.- AAF-SA reserves the right to subcontract any part of the work described on this offer.

12°.- All information supplied with this offer is highly confidential and shall under no circumstances be passed on to a third party without AAF-SA's previous consent in writing.

13°.- AAF-SA reserves the right to either cancel or modify the terms and conditions quoted above at any time prior to the signing and acceptance of the formal order, by a person authorised to represent AAF-SA.

14°.- The Purchaser shall acquire the title to property on the supplies once the payment has been made in full.

15°.- Should the Purchaser delay its payments further than the agreed dates, any overdue amount shall be increased by a 2% monthly rate.

16°.- GOVERNING LAW:

The parties to this agreement hereby explicitly relinquish their own rights, and submit to the VITORIA courts for them to decide on any disputes which may arise as a result of any contracts they may agree on with AAF-SA.