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GENERAL SUPPLY CONDITIONS AND ENVIRONMENTAL DECLARATIONS

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The LEADING group, comprising the companies Leading Metal-Mechanic Solutions (LMMS), Taller de Modelos y Troqueles (TMT), Fundación Leading Innova (CT Innova) and Special Material Machining (SMM), establishes the following General Supply Conditions:

1.- GENERAL POINTS

The scope of the contract comprises, in addition to how much is outlined in the order, whatever is necessary up to the final delivery of the item of the order and/or equipment in conditions of use and perfect operation, in accordance with the established technical specifications.

These "General Conditions" govern for all the agreed purchase operations, unless especially otherwise stipulated.

The simple fact that the vendor accepts our order or sends us goods or executes works as a result thereof implies knowledge of and submission to these "General Conditions".

The purpose of this document is to inform the suppliers of products and services that execute works at the facilities of the LEADING group of the minimum requirements that are applicable thereto and that they must meet with regard to environmental protection.

2.- DELIVERY TERMS

The agreed delivery terms will be rigorously respected. Failure to comply therewith may lead to the cancellation of our order or the application of a penalty of 1% of the total amount of the order for each week of delay.

The moving forward of the delivery date or the reduction of the execution term requires the prior agreement of the LEADING group.

The right is reserved to inspect all the materials and/or equipment contracted at the manufacturing and/or storage site thereof. To that end, their clients or authorised representatives and regulatory authorities will have free access at all times -during the execution period of the agreement- to any shops, premises or factories of the supplier and/or subcontractors where they are manufactured, stored or are ongoing, and the materials and/or equipment contracted. The vendor must demand from their suppliers or subcontractors free access to the departments of the representatives of the LEADING group.

The vendor will provide the representative of the LEADING group with whatever is necessary to conduct the inspection free of expenses.

In the event that the order requires a Quality Certificate, this will be sent with the goods.



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3.- PRICES

The prices indicated in our orders are understood as goods or services shipped at our factory. Any taxes incurred by sales and that are for the account of the buyer are not included in these prices and will be collected separately. Any change in characteristics made after the order that could lead to a new price being set must be confirmed and accepted in writing by us.

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4.- CONDITIONS OF CASTING REJECTION

General conditions of casting defects management:

- 1.- Approximately every 3 months, a NCR corresponding to the casting defects will be generated.
- 2.- The costs of the NCR correspond to the casting costs of "raw material" and we create a debit note.

The financial department of the supplier must pay with a credit note the value indicated on the debit note and send a copy to the financial department of LEADING.

- 3.- When the rejection exceeds 1.5% of the total of the machined parts (a month), the machining cost corresponding to the parts that exceeds 1.5% will be charged in the cost of the NCR.
- 4.- The casting supplier is responsible for the collection of the faulty casting due to the material that has been rejected and is the property of the supplier when we generate the debit note.

It will be available until the 15th day of the next month, from 07.00 to 19.00 hours, Monday to Friday. After the deadline, the Leading group will manage it as scrap.

NOTE: If the supplier does not accept the NCR, it must collect the material and answer for the discrepancies.

If at the end, the LEADING group accepts this material, we will generate a new order to the supplier.

Additional information: Contacts at the Leading group.

Quality matters:

- Iván Abascal (iabascal@leading.es)
- Quality (calidad@leading.es)

Warehouse Department:

- Ana Revuelta (arevuelta@leading.es)

Financial Department:

- Tomas Bengoechea (tomas@leading.es)



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- Lorena Castro (lcastro@leading.es)

5.- INVOICING AND PAYMENT CONDITIONS

All invoices or certificates must meet the legally established requirements and always indicate the respective order number.

Assigning credits in favour of third parties is expressly prohibited. For the purposes of Art. 1,112 of the Civil Code, the acceptance of this order implies the undertaking not to assign any credits that they have against our company.

Likewise, such clause, in addition to other provisions concerning joint and several liability included in Art. 42 of the Workers Statute, will be included in the General Regulations that are delivered to Contractors.

The payment will be made as indicated in the order.

Transfers to our account are not accepted.

6.- PENALTY FOR DEFECTS

In the event that there are defects of the materials or equipment, both in their manufacture and in their performance capacity, the LEADING group may apply a penalty of 1% for each week that elapses without starting the respective repair or that said repair does not advance at a suitable rate.

7.- WARRANTY

The vendor or supplier guarantees the materials and equipment against any design, manufacture or property title defect for a period of one year from their commissioning, without exceeding 18 months from their delivery, undertaking to replace or repair whichever are faulty to the satisfaction of the LEADING group. The cost of replacement or repair and any expenses that are incurred for the LEADING group for this reason will be for the account of the vendor or supplier, including when this has to be executed outside its shops.

The adjustments, tasks, repairs or replacements must be carried out within the term indicated by the LEADING group, in order that they are less harmful and without causing a delay to the work or paralysing the facilities. Otherwise, it may execute the necessary works by itself or by third parties for the account of the vendor or supplier and without losing the warranty. The scope of the work repaired or replaced is also included in these very warranty conditions.

8.- INFORMATION

Any drawings, plans, diagrams, print outs, photographs and technical documents that are



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delivered to the suppliers for the execution of the work, as well as any executed by the suppliers as a result of our order or consultation will be deemed our property and the supplier may not, therefore, copy them, reproduce them or transfer them to third parties without our express authorisation.

VERY IMPORTANT: Without our written authorisation, the supplier may not indicate our name in its reference lists, or publish technical notes, photographs or images relating to the material supplied thereby, indicating both our name and the process in which we use it.

The supplier may be assessed by the LEADING in two areas group: fulfilling the timely deliveries of the products and the quality thereof.

The supplier should have a system to ensure the prevention of the use of forged parts and the awareness of its personnel with regard to their contribution to product or service conformity, their contribution to product safety and the importance of ethical behaviour.

Subcontracting is not permitted by the supplier without the consent of the LEADING group.

9.- SAFETY REGULATIONS

Any materials, machines, equipment, etc. that are supplied to us will satisfy the rules determined in the official regulations, as well as any particular regulations that are determined with regard to safety.

In the event of supplies of machines or equipment, these will be accompanied by the user manual with the legal safety instructions relating to Occupational Health and Safety included in Law 31/1995 governing Occupational Risk Prevention and the regulations that are developed. They will also comply with the regulations established by the LEADING group, as well as any specific order that are given by our managers. The instructions given through visual and acoustic signs will also be observed and they are bound to use the personal protective means suitable for each risk. These means will bear the CE marking for whatever protection is required.

The LEADING group reserves the right to stop any work, impede the entrance or remove from the facilities any of its employees that violate the aforementioned regulations and orders, the financial losses caused being for their account.

10.- SHIPPING CONDITIONS

All the materials, packages, boxes, bundles, etc. must be suitably packaged for their transportation and storage. The hours for the reception of goods at the LEADING group are as follows: 08:00-13:00 / 14:30-17:30 business days Monday to Friday.

The vendor or supplier will be liable for damage caused by blows, oxidation, etc. attributable to inadequate protection.

The shipments must be accompanied by the respective delivery note, in a safe place and manner, outlining the goods included in the shipment, amount that remains to be used and indicating in a highly visible place the respective order number.



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11.- SUPPLY CLAUSES

The supplier must:

- Notify the company of the non-conforming product before its shipment to the Management System Department.
- Obtain the company's approval of the non-conforming products.
- Notify of changes to the product and/or the process.
- Notify of changes to suppliers.
- Notify of changes to location of the manufacturing or supply facilities and, when required, obtain the company's approval.
- Refer the applicable requirements to the supply chain, including client requirements, requirements to retain records for 25 años and the right of access to the facilities of the company or of its client or delegate, and of the regulatory authorities to the applicable areas of all the facilities, at any level of the supply chain involved in the order.
- Access to all the applicable records with regard to the orders made.

12.- TAX

The procedure for the payment of taxes, duties, levies and any charges affecting the contract will be governed by the conditions established in the order. In all that considered in the order, the parties will adapt to the provisions of the current fiscal regulations regulating the matter.

13.- INDUSTRIAL PROPERTY

The vendor or supplier guarantees to the LEADING group and is bound to documentarily accredit before it, if required, that it has the patents, licences and other industrial property documents required for the execution of the subject matter of the agreement.

14.- TERMINATION

In the event that the vendor or supplier does not fulfill any of its contractual obligations, the LEADING group may terminate the agreement partially or entirely, it being sufficient therefor to communicate this in writing to the supplier and pay the amount of the supply properly executed to date, with any applicable deductions. The vendor or supplier will not have the right to the payment of any other amount for compensation.

Likewise, the LEADING group may unilaterally render this contract null and void solely by reliably communicating this to the vendor or supplier, in which case it will compensate it for the damage and harm caused, provided that that damage has been sufficiently accredited and its amount will be set by the parties by mutual agreement. In no event will such compensation exceed the amount of the order.



15.- ENVIRONMENTAL CRITERIA

It is the responsibility of the supplier / subcontractor to prevent the removal of any waste caused by incineration during the execution of the works. Likewise, it will prevent any dumping of wastewater, both into the ground and into drains or collectors. It will also prevent the abandonment of any kinds of materials or residue.

It will be the obligation of the supplier / subcontractor to apply preventative measures to prevent negative environmental effects being caused during the execution of the work, and in the event that they are, apply the corrective measure required to rectify them.

Any negative environmental effect caused by the management of materials or products used for the execution of the contracted work will be the responsibility of the company hired, the financial liabilities resulting from these effects being for its account.

Emissions from equipment used by the supplier will be channelled and will not be introduced into closed warehouses.

Dumps will be channelled towards the drainage network, provided they are admitted thereby, otherwise their destination and/or management will be studied with the Head of the Management System.

If any accidental dumping is caused, it will be collected, acting in accordance with the instructions given by the Head of the Management System.

The waste generated in the course of the activities carried out by the winning bidder must be deposited in the vessels provided at the facilities for such purpose for its proper storage and management.

Any environmental risk situation will be communicated to the Head of the Management System.

Any traps, cotton pads or cloths that are used for cleaning with degreasing or dissolvent products must be collected in the appropriate vessels distributed by the facilities for their proper storage and management.

As far as possible, the detergents used must be biodegradable.

Any containers that have contained hazardous chemical products used in cleaning and/or maintenance, as well as the waste generated in the course of the activities carried out by the winning bidder must be deposited in the vessels provided for such purpose at the facilities for their proper storage and management.

The supplier / subcontractor will use, as far as possible, the best technology available that prevents or minimises the transfer of contamination to physical means.

16.- FORCE MAJEURE

Only those indicated below are deemed causes of force majeure with sufficient grounds to disclose to the parties the nonfulfillment of the agreement obligations:

- Earthquakes, tsunamis, catastrophic fires or floods officially declared catastrophic.



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- Destruction caused by arms or violently in times of war, uprisings or commotions.
- Any legal strikes exceeding the scope of the company of the supplier and whose termination does not depend on the decision thereof.

17.- JURISDICTION

The LEADING group and the supplier will seek to resolve in a friendly manner any matters that could arise as a result of the fulfillment or interpretation hereof. In the event that an agreement is not reached by the parties of this contract, they will submit to the jurisdiction and competence of the Courts of Torrelavega, with express waiver of any other jurisdiction they could have recourse to.