

ELAY LAN, S.L.U General Conditions of Purchase

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1. AIM

1.1. This document establishes the conditions of purchase that regulate the supplying of all types of goods, equipment and materials (hereinafter referred to as "Products") and/or the provision of all types of services (hereinafter referred to as "Services") to Elay Lan, S.L.U. and/or any company that is directly or indirectly controlled by them (hereinafter referred to as "ELAY").

1.2. Unless otherwise specified in the order placed by ELAY, the following shall be considered within the scope and price of any supply of Products and/or provision of Services; the documentation, related services, works (including the execution, construction and assembling) and/or equipment, including information systems materials, tools, standard test equipment, models, moulds, gauges and others, necessary to execute the order.

1.3. Any modification or exception to these General Conditions made by the Supplier shall be accepted beforehand and in writing by ELAY and shall not apply to the specific order for which they have been proposed and accepted.

1.4. Consequently, the signing of Supplier sale forms or the existence, if applicable, of General Terms of sale by the Supplier, do not relieve the Supplier from complying with these General Conditions, which shall prevail, in all cases, unless a partial or total cancellation of these General Conditions has been previously accepted by ELAY in writing.

2. CONTRACTUAL DOCUMENTATION

2.1. The relationship between ELAY and the Supplier shall be governed by the following contractual documentation (hereinafter referred to as the "Contract"):

- a. the order placed by ELAY (hereinafter referred to as the "Order") and if applicable, the Delivery Plans;
- b. these General Conditions of Purchase; and
- c. the bid and acceptance of the order by the Supplier, including the technical specifications of the Products and/or Services.

2.2. The totality of the supplies must meet the terms indicated in the order. In the event of a disagreement with any term, this disagreement must be communicated in writing and the express and written approval shall be obtained by ELAY prior to continuing with the supply process.

2.3. The Supplier, once the Order is received, shall express their acceptance of the order as well as with these general conditions of purchase via a signed acceptance within a maximum period of five calendar days.

2.4. By simply executing the Order without having met the requirement above, likewise implies a full acceptance of the order as well as these General Conditions of purchase. However, ELAY reserves the right to cancel the Order when the time period mentioned in clause 2.3 has elapsed and the acceptance has not been received from the Supplier, or the Supplier has failed to comply with the specific or general terms stipulated therein, without this warranting any type of claim by part of the Supplier, who shall return the amounts paid by ELAY up to that moment.

2.5. The Supplier is required to satisfy each Order under the terms and conditions indicated therein and in the Conditions of Purchase, on the understanding that the aforementioned terms and conditions shall apply for the duration of the Order.

3. SUBCONTRACTING

3.1. The Supplier shall not subcontract the execution of the order, in whole or in part, without prior written consent from ELAY.

3.2. In cases where ELAY has authorised subcontracting, the requirements applicable to the Supplier, in accordance with the Order and these General Conditions of Purchase, shall be immediately applicable to all prior and subsequent Suppliers and/or subcontractors, and ELAY shall be relieved of all responsibility regarding any incident caused by or as a result of the subcontracting chain.

3.3. In the event of a subcontract, the Supplier shall be jointly responsible along with the subcontractor regarding their obligations towards ELAY, who shall have the right to exercise any legal actions against the Subcontractor and/or the Supplier as applicable.

4. SHIPPING AND PACKAGING

4.1. The terms of transport shall be defined via Incoterms in the purchase orders. Otherwise, the Incoterms established by default are DAP (Delivered At Place) for intra-community transactions and CIF (Cost, Insurance and Freight) for extra-community transactions (INCOTERMS version CCI 2020).

4.2. The delivery of goods and products must be carried out on the date, at the location and according to the terms agreed to in the Contractual Documentation.

4.3. All packages, boxes, parcels, etc., must be properly packaged for shipping, preservation and storage. The Supplier must comply with the packaging instructions provided by ELAY when available.

4.4. The Supplier shall be responsible for any damage caused by impacts, corrosion or of any other type attributed to a failure to properly protect the product. The Supplier shall assume all the costs derived from a defective packaging, improper handling or transport.

5. TERMS OF DELIVERY AND/OR PROVISION OF SERVICE

5.1. The terms of delivery that are stipulated in the Order and/or the Delivery Agreement shall be considered essential. The Supplier agrees to plan a production schedule that enables delivering the Product and/or provide the Service, with the level of quality and within the deadlines specified in the Contract.

5.2. The supplying of products or the provision of services shall be considered completed when the Supplier makes available to ELAY, at the location and meeting the conditions indicated in the Order and/or the Delivery Agreement, the totality of the Products and/or services along with the required technical documentation.

5.3. Without prejudice to the right to cancel the Order and/or the Delivery Agreement, when

the Supplier fails to comply with the established delivery date and the delay is not attributed to force majeure, ELAY will have the right to receive the product/service as well as collect a penalty of 0.5% of the purchase price per each calendar day the delivery is delayed. The applied penalty shall not exceed 15% of the purchase price. In any case, ELAY reserves the right to claim damages suffered as a consequence of a delay attributed to the Supplier in addition to applying the aforementioned penalty.

5.4. Deliveries shall not be accepted before or after the agreed upon date without the express written consent of ELAY. ELAY reserves their right to reject the merchandise in cases where the product does not meet the agreed upon requirements or the terms of delivery (Transport / packaging) have not been met.

5.5. Any incident that prevents the delivery in the amounts specified in the schedules and within the established deadlines shall be immediately communicated to ELAY by the Supplier, stating the reason and if possible, the date when the delivery is expected to occur. If the Supplier does not carry out said notification, ELAY shall have the right to receive compensation for any additional expenses they incur. The Supplier agrees to carry out, at no additional cost to ELAY, as many actions as necessary (including overtime, urgent shipping, etc.) to reduce the delay time as much as possible.

5.6. Schedule. Together with ELAY, the supplier agrees to determine the holiday schedule to ensure the service is not interrupted.

6. DOCUMENT CONTROL. -

The Supplier is required to guarantee strict compliance with the law regarding the protection of personal data. The Supplier shall be responsible for acquiring international standards as well as document management and control to prevent using documentation that is obsolete.

7. SAMPLES, QUALITY AND CONFORMITY. -

Together with the first samples, the supplier must deliver a report of the first PPAP samples, level 3, unless otherwise specified in the contract, including the following documents.

- a. Feasibility, final.
- b. Process chart.
- c. Drawing with curved corners. (only for delivery of parts ordered from a drawing)
- d. Dimensions.
- e. Laboratory certificates
- f. Control plan for the product and the established process.
- g. Capability study.
- h. Measuring systems analysis.
- i. Process FMEA.
- j. PSW
- k. Test results.
- l. CQI audits

The custody and filing of preliminary information as well as the related records must be kept for a period of 15 years for all supplied products or services, or, in cases where the validity of the project exceeds this period, during the validity of the project plus one year following its termination.

Process changes without authorisation from ELAY are expressly prohibited. Regarding anomalies detected in the product or service as a result of an unauthorised change, the supplier shall be responsible for any damages said anomalies may cause.

Repairing the product without prior authorisation from ELAY is expressly prohibited.

In cases where ELAY authorises an engineering update or the modification of a process, a new PPAP shall be submitted at the required level.

During the supplying of parts, the control methods, measurements and any tests or trials required to ensure compliance with the drawings and specifications shall be undertaken and paid by the Supplier.

8. TRANSFER OF MACHINERY AND TOOLS

When expressly agreed that ELAY provide the machinery or tools required for the Supplier to successfully execute the Contract (hereinafter referred to as the "tooling"), the items included in this paragraph shall be applicable:

8.1. The resources listed in document "**cesión de maquinaria y utillaje / transfer of machinery and tooling**" attached with the contract, have been designed and built for manufacturing and/or transforming parts for ELAY, which, unless otherwise specified, are fully owned by ELAY, who transfers them to the supplier for free and on loan for manufacturing parts for ELAY in accordance with the orders and schedules that are issued.

8.2. The Supplier shall pay for maintaining, preserving, having custody and replacing this tooling. The Supplier shall pay for full coverage insurance, including against fire, for the tooling that has been transferred to them, listing ELAY as the sole beneficiary on said insurance policies.

8.3. The tooling may not be transferred, transformed or destroyed without prior written authorisation from ELAY. The Supplier must have the tooling identified at all times as well as their location. The tooling shall be available to ELAY at all times and shall be returned to them immediately upon request.

8.4. In the event of any embargo proceeding against the Supplier by part of a third party with the intention of imposing a levy on the transferred tooling, the Supplier must enforce the ownership of these assets by part of ELAY. In the event the embargo has been levied in spite of their opposition, the Supplier must immediately notify ELAY so they may exercise their right to defend themselves. Under no circumstance shall this tooling be included in the Supplier's assets as their property, especially in cases of insolvency or bankruptcy.

8.5. The Supplier undertakes to not delegate or subcontract the execution of the orders, in full or in part, or transferring the tooling to third parties without written authorisation from ELAY.

9. QUALITY

9.1. The Supplier shall be responsible for the quality of the Products/Services it delivers to ELAY, regardless of whether or not they manufacture or execute these Products/Services themselves or purchase them from third parties. The supplier shall keep all certifications required for processing the materials and parts for ELAY current in accordance with the end client's requirements.

9.2. The quality of the provided Products/Services shall comply with the standards stipulated in the documentation, drawings, specifications and standards delivered to the Supplier and listed in the Order. The certificates issued must clearly indicate the reference, drawings and specifications of ELAY and the revision they are referencing.

9.3. When ELAY identifies a product as defective, they shall complete a "Non-Conformity report (NCR) (Parte de no conformidad (PNC)" in Spanish), which shall be sent to the supplier. In turn, the supplier shall immediately carry out an 8D analysis to guarantee the conformity of the product, the correction of the defect and prevent it from reappearing. This "CR" shall be sent to the Supplier by any means, physical or electronic. The notification and reception of the document shall not require any formality other than it being sent to the mailing address provided by the Supplier or via email to the address provided by the Supplier to ELAY. The Supplier is the only one responsible for diligently notifying ELAY when their mailing address as well as their email address changes. The Supplier shall be fully responsible for any charges generated by a non-conformity and must pay the related expenses and costs.

9.4. The Supplier shall always be able to trace the products so that ELAY can trace all the processes. Regarding the above, the traceability number of a part must contain:

For the supplying of raw materials, at least:

- a. ELAY item number.
- b. Unit identification per package
- c. ELAY order number.
- d. ELAY order date
- e. Weight of each package.

For the supplying of subcontracted parts:

- a. ELAY item number
- b. Manufacturing batch.
- c. Supplier delivery note number.

9.5. The Supplier must pay special attention to cases with instructions for Safety Parts. The Supplier must comply with all the requirements from the time the award is signed in order to comply with the requirements this condition requires of the product to be manufactured or supplied.

9.6. Regarding the above, the Supplier in this act assumes full responsibility regarding the cost of the entire production chain and assumes all the risks as well as any civil, criminal or administrative risks derived from a failure to comply or from not following the approved process for the products or services and shall relieve ELAY of any responsibility resulting from an error made by the Supplier. Likewise, with their own resources, the Supplier shall relieve ELAY of any responsibility regarding civil or commercial lawsuits or criminal charge initiated by any government institution inside the Spanish territory as well as abroad.

9.7. No technical modification shall be made without prior written consent from ELAY.

10. IMDS INFORMATION. -

The Supplier shall enter the composition of the supplied products in the IMDS (International Material Data System) application at web portal www.mdsystem.com, as a preliminary requirement to submitting the First Samples.

11. AUDITING PROCEDURES

ELAY may conduct the audits listed in their auditing plan or those they deem pertinent. The Supplier must comply with all the points listed in the contract at the time they are being audited. In the event non-conformities are identified in the audit that require corrective actions, these must be answered and corrected within the deadlines established by the auditor. In the event that serious non-conformities are identified, and these are not corrected within a reasonable time, ELAY may rescind the contract with the Supplier, who shall not have the right to claim any compensation that might apply according to the contract, the purchase order or other agreement that may have been signed by the parties.

In accordance with the paragraph above, the Supplier will maintain their qualification as a Global Supplier as defined in chapter 12 of the "Supplier Evaluation Document".

12. EVALUATION OF SUPPLIERS

ELAY S.L., may verify and evaluate the effectiveness of the implementation, maintenance and adapting of systems to manage the quality of its suppliers with the aim of achieving the highest level of quality in their products, activities and services, and the Supplier is committed towards continuous improvement.

ELAY's supplier global qualification system is carried out by evaluating the following areas:

1. Service, compliance with the delivery deadlines and amounts.

The deadline requested in the purchase order will be compared to the actual delivery date, obtaining a positive or negative difference. The amount of the purchase order will also be compared to the actual payment received. Both items have a weight of 20% of the total score.

Efficiency of the deliveries, delivery dates.

Level of compliance	Score
80 - 100	100
60 - 80	80
0 - 60	40

Efficiency of the deliveries, amounts.

Level of compliance	Score	Classification
90 - 120	100	A
80 - 90	80	B
70 - 80	70	B
0 - 70	50	C
>120	50	C

2. Quality of the Product.

Compliance with the specifications of the product will be valued. In the event of deviations, these will be recorded in a non-Conformity report (NCR), which will be sent to the supplier to notify them about the defect, the scope and the costs incurred as well as the amount of product that is affected. Along with the NCR, an 8D will be sent where the supplier will indicate the origin of the defect once it has been investigated and the actions to be implemented to prevent it from reoccurring.

The Level of Rejection is measured in PPMs and will weigh 25% of the total score.

Level of PPMs	Score	Grade
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0 - 15	100	A
16 - 50	85	A
51 - 100	50	B
101 – 200	30	C
>200	0	C

3. Demerits.

The number of NCRs (Non-Conformity Reports) that have been initiated will be counted and this item will weigh 30% of the total score.

If the classification of the NCR is Mild, this NCR will not count as a demerit.

If the classification of the NCR is Intermediate, this NCR will count as a demerit.

If the classification of the NCR is Serious, this NCR will count double as a demerit.

In other words, the number of NCRs = 2xSerious NCR + 1xIntermediate NCR + 0xMild NCR

Number of NCRs	Score	Grade
0 - 2	100	A
3 – 4	80	A
5 – 6	50	B
> 7	0	C

4. Quality System.

The quality system implemented by the supplier shall be considered, with the minimum requirement being the certification required by the end client. Each quality system has a score assigned; the formula for calculating the score is:

Points = $\sum (S1+S2+S3.....)$ this item will weigh a total of 5% of the calculation

Quality System	Score
IATF 16949	35
ISO 9001	30
ISO 45001	15
ISO 14001	15
OHSAS 18001	15
BIKAIN Ziurtagiria	5

Note: In order for a quality system to be taken into account in the evaluation, it must be updated and current. If the validity period has expired and the supplier has not sent the new certificate, the system will consider that it is not current and therefore will not take it into account and will not add points to the evaluation.

Once the final score is obtained by weighing each item, it will be calculated based on the following parameters:

Classification	Final score
A	>85
B	60 – 84
C	0 - 59

13. INSPECTION AND ACCEPTANCE

13.1. . ELAY will designate a supervisor of the services or products it receives, who will have the right to supervise at all times to ensure the Supplier meets the specifications described in the purchase order. ELAY will also have the right to conduct an audit of the process including the inspection of all materials and/or equipment that are going to be used and the time cycles in the provision of the services. The Supplier is required to collaborate in this audit and will supply the data that is requested of them.

13.2. If ELAY finds a defective product during a reception inspection, the manufacturing process or during its subsequent application, this discrepancy will be recorded in an NCR (Non-Conformity Report) indicating the product part number, the type of defect, quantity, batch number, etc., and will notify the Supplier. The Supplier must replace the amount of defective product and shall pay all expenses incurred for this reason.

13.3. However, based on the production requirements, ELAY will carry out the necessary inspections or recovery work required to correct the discovered defects. The Supplier shall pay for the expenses incurred as a result of these operations as well as for the loss in value of the non-recoverable material.

13.4. At any time, ELAY may require the Supplier carry out an inspection of the product they own in order to create an inventory list of the assets in their possession.

14. ASSOCIATED DOCUMENTATION

14.1. The Supplier must attach a properly completed shipping note to the Product, listing the company name of ELAY, the Order number, quantity, date, remarks if any as well as any other documentation listed in the order.

14.2. The Supplier must send, preferably via email to address ikuskatzailea@elay.eus, prior to delivering the product to ELAY, the required Quality documentation at least in the local language and in English. This certificate must include the material or part number, ELAY order number and the batch number in case of subcontracts. In the case of raw materials, the name of the file that is sent must include the item number and the order number and for subcontracts, the item number, and the batch number so that it can be traced.

15. PRICES

15.1. The prices listed in the Order are fixed and will not change during the life of the project unless an agreement is reached in writing and include all the goods or services that are within the scope of the contract as well as any other expense that must be paid by the Supplier to ensure the supply or provision of service, including the corresponding packaging.

15.2. The prices stipulated in the Order include all types of fees, levies, import taxes, etc., excluding Value Added Tax.

16. BILLING AND PAYMENT TERMS.

16.1. The Supplier will issue an invoice associated with the delivery note.

16.2. ELAY may issue auto-invoices when specified in the Specific Terms.

16.3. Invoices must be received by ELAY's Administrative Department within the first 5 days of

the month following the date of supply or execution.

16.4. Invoices must include the Order number, part number, description of the product or service, delivery note number, unit price, total amount, due date, company name, NIF, Bank Account and address. Notifications regarding a change of bank and/or account number must include a certificate issued by the bank. Notifications made via email or post mail will not be considered.

16.5. Invoices that do not meet the requirements stipulated in the terms of purchase may be returned by the Supplier and the due date will be calculated based on when the new invoice is accepted. ELAY shall not be held responsible for any expenses that may be generated as a result of a returned invoice.

16.6. The terms of payment by default is 60 days by bank transfer but it may be negotiated individually with each Supplier and included in the Specific Terms and/or the Order.

17. SUPPLIER OBLIGATIONS

17.1. The Supplier undertakes to comply and enforce compliance by their employees, and if applicable, its contractors and assigns, with current legislation related with Taxes, Labour, Social Security and Occupational Health and the Environment in addition to any other applicable laws as well as follow, in the case of work carried out at ELAY's facilities, the Occupational Safety and Health and the Environmental policies adopted by ELAY. Likewise, the Supplier when required, via the e-coordina portal, will provide ELAY with proof of employment documents as well as proof of compliance with their labour obligations in terms of the Coordination of Tasks and shall provide the requested documentation by the requested deadline.

17.2. Regarding personnel assigned to the Contract, the Supplier will exercise full control over the management and organisation tasks.

17.3. ELAY may carry out inspections to check compliance with all the points without said inspection relieving the Supplier of their exclusive responsibility.

17.4. When executing the Order, the Supplier will always act as a legal person or independent company and not as an agent or representative of ELAY. Under no circumstance shall it be considered that an organisational relationship exists between ELAY and personnel from the Supplier.

17.5. The Supplier shall be responsible for any damage derived from any type of action or omission by them, their agents, employees, subcontractors, and counterparts and shall hold ELAY harmless from all expenses, claims, losses, necessary expenditure (including legal fees) or from responsibility, as well as any direct or indirect tax that may be applicable, imposed on anyone as a consequence of these actions.

17.6 The following shall be carried out during the supplying of the product or service:

- Notify any accidental situation (emission, spill, etc.) that occurs during the rendered supply or service.
- Comply with the current environmental regulation related with waste generation and management, spills, atmospheric emissions, noise, and prevention of ground contamination.
- Provide a copy of all document proof of the proper management of the generated waste

(contracts with managers, permissions, and delivery records, etc.), when required.

- The Supplier will promptly inform all its workers regarding the environmental obligations that, by law or an express request by ELAY, are applicable as per the contract.
- Ensure that potential emergency situations are identified and evaluated, and their impact minimised by implementing emergency plans and proper procedures in the event that work is carried out at ELAY's installations

17.7 Failure to comply with these obligations or partial compliance will constitute sufficient cause to cancel the contractual relationship between the parties.

18. SUPPLIER CODE OF CONDUCT

18.1. ELAY establishes minimum principles to guarantee that the practices and tasks carried out by the Supplier respect human rights and the fundamental freedoms in accordance with, as a minimum, the International Bill of Human Rights and the principles related with the eight fundamental agreements of the International Labour Organization (ILO). Depending on the circumstances, the Supplier must take other additional standards into account. The Supplier must ensure this Code of Conduct is properly implemented throughout its entire value chain.

18.2. Prohibition of forced labour: The Supplier will not allow, participate, or obtain profit from any type of forced labour, including bonded labour practices, debt bondage, forced labour in penal institutions, slavery or human trafficking. All employment is voluntary, and the workers are free to leave the job at any time or complete their contract.

18.3. Prohibition of child labour: The Supplier will not allow, practice, or support child labour. The term "child" refers to any person younger than 15 years of age (or 14 when allowed by national law) or that is not old enough to have completed compulsory education or that has not reached the minimum age to work in the country, whichever is greater.

18.4. No discrimination: The Supplier will not allow, practice, or support any type of discrimination based on race, colour, age, gender, sexual orientation, ethnic origin, disability, pregnancy, religion, ideology, political militancy, trade-union membership or marital status in the contracts, pay and practices related with employment as well as promotions, bonuses, access to training, dismissal, or retirement.

18.5. Respect for freedom of association and collective bargaining: The Supplier will respect the rights of workers to associate freely, to join trade-unions or not, seek representation, seek membership in workers councils in accordance with local legislation and negotiate collectively with the company or its representatives. The Supplier will guarantee that the representative and any personnel involved in the worker's organisation, are not subjected to discrimination, harassment, intimidation, or reprisals due to them being members of a trade union or for participating in trade union activities and that said representatives have access to its members at the work centre. When the rights of freedom of association and collective bargaining are restricted by law, proper channels shall be designed to guarantee a reasonable and independent exercising of these rights.

18.6. Fair treatment: The Supplier will not allow, practice, or support acts of physical, verbal, sexual or psychological harassment, abuse, or threats at the workplace. The Supplier will define disciplinary policies and procedures that must be properly communicated to all workers and measures shall be adopted to prevent and redress these acts when applicable.

18.7. Compliance with Occupational health and safety regulations: The Supplier must comply with all Occupational Safety and Hygiene regulations as they relate to personnel employed, directly or indirectly, to execute the Contract and shall assume all responsibilities in terms of failures to comply with their obligations related with labour, workplace accidents and the failure to comply with Business Laws. The Supplier also undertakes to notify ELAY regarding all serious accidents involving their employed or subcontracted personnel.

18.8. Safe working conditions: The Supplier shall ensure the workplace is kept safe and healthy and will adopt effective measures to prevent employees from being involved in potential accidents or from suffering injuries caused by or from actions associated with the work, or caused during the performance of the work, minimising -as much as possible- the inherent risks at the workplace and taking into account the current knowledge of the sector as well as any specific risk.

18.9. Compliance with environmental regulations: The Supplier shall comply with the current environmental regulation related with waste generation and management, spills, atmospheric emissions, noise, and prevention of ground contamination. Likewise, the Supplier is responsible for complying with all regulations regarding the use and storage of chemical products in the work areas throughout the execution of the contract and shall assume all responsibilities derived from any failure to comply with their environmental obligations. ELAY may request the Supplier provide a copy of all document proof of the proper management of the generated waste (contracts with managers, permissions, and delivery records, etc.). The Supplier will promptly inform all its workers regarding the environmental obligations that, by law or an express request by ELAY, are applicable as per the contract.

18.10. Corruption and bribery: The Supplier will not tolerate, allow, or be involved in any type of corruption, blackmail or bribery when carrying out their business activity. The Supplier will guarantee the highest standards of integrity are displayed in all their business interactions, adopting a zero-tolerance policy to prohibit any type of bribery, corruption, blackmail, OR embezzlement (including the promise, offer, concession or acceptance of any bribes). The Supplier shall prevent their representatives from being involved in any fraudulent activity related with the reception of any sum of money from ELAY or the companies in their group.

18.11. ELAY reserves the right to require information and/or carry out the inspections considered necessary to guarantee compliance with the Supplier Code of Conduct by part of the Supplier, without this practice exonerating the Supplier from their exclusive responsibility. In the event of a non-compliance by part of the Supplier, ELAY will take the necessary measures, including the suspension and/or cancellation of the contract.

18.12. The Supplier shall be responsible and will relieve ELAY from any responsibility related with any claims or compensation that may be required of ELAY in accordance with the causes stipulated in this article.

19. GUARANTEIS

19.1. A two-year guarantee is established for all goods and services supplied except in cases where a longer period is stipulated by law or is established in the Specific Terms, which shall start to count from the effective acceptance date.

19.2. In cases where a defect attributed to the Supplier is identified during the guarantee period,

the following options will be available to ELAY:

- a. Report, the total or partial cancellation of the Contract, Requesting the Supplier repair or replace the defective Product, in which case, ELAY will have the right to withhold any payment pending to the Supplier until the defect is fully corrected.
- b. If the Supplier does not correct the defect with the required urgency, ELAY may unilaterally or through a third party, repair or replace the defective product and will have the right to be reimbursed by the Supplier for all incurred costs and expenses.
- c. Request the Supplier renew the defective Service. All the above, without prejudice of ELAY's right to claim compensation for all losses, expenses and damages suffered as well as any other situation they may have the right to.

19.3. The Supplier will also guarantee that the products, goods, services, and equipment are properly certified and meet all current and applicable regulations and especially, all regulations related with safety and the environment. Consequently, the Supplier shall be required to compensate, defend, and relieve ELAY of any responsibility against any lawsuit, claim, expense, responsibility, fine, cost or damage, including lawyer fees that may be requested from ELAY related with the supplied products, goods and/or equipment.

19.4. The Supplier fully assumes all responsibility for the loss or deterioration of the goods owned by ELAY that are temporarily in their custody.

20. INSURANCE

20.1. The Supplier shall compensate for all personal or material damage caused to ELAY because of the execution of the order and if applicable, shall repair or replace the damaged goods when allowed by the nature and purpose of these goods.

20.2. The Supplier undertakes to purchase an insurance policy to cover damage to property, personal injury and third-party civil liability, including civil liability for defective products and for a minimum quantity, coverage and time frame that is appropriate according to the circumstances of the execution as required by the purchase order.

Coverage required for damage caused by products that have been improperly manufactured:

- I. Bodily injury and damage to property and resulting loss.
- II. Economic loss caused by the products because of:
 - a. Joining and mixing.
 - b. Processing and additional treatment.
 - c. Cost of disassembling and assembling.
 - d. Defective classification and selection.

The removal of a vehicle by part of the car manufacturer or as authorised by the car manufacturer. In this case, the following would also be insured:

- a. Intermediate storage of the removed products for a period of up to 3 months.
- b. Cost of eliminating and the value of the eliminated defective products.
- c. Cost of the control required of the process until success is achieved.

Geographical limits: We recommend getting "World" coverage

20.3. When required, the Supplier will notify ELAY regarding the insurance coverages that are appropriate for the risk of the business held with ELAY.

21. CONFIDENTIALITY

21.1. All technical, economic, or commercial information about ELAY, its clients or products, that may be provided to the Supplier for them to execute the Contract, including the Terms of the contract, shall be considered confidential. The Supplier undertakes to not reveal this confidential information to third parties and not use it, directly or indirectly, for purposes other than those stipulated in the Contract.

21.2. The relaying of confidential information by part of the Supplier to its employees shall only be done when strictly necessary to execute the Contract and in all cases, the Supplier will guarantee their employees comply with the confidentiality obligation described in the paragraph above.

21.3. Upon completion of the Contract and a written request from ELAY, the Supplier will return all the documentation generated in the format it was delivered to them and may not save partial or whole copies of said documentation.

21.4. This clause will remain in effect for five years following the expiration or termination of the Contract.

22. TERMINATION OF THE CONTRACT

22.1. The contract will be cancelled when it expires, or it may be terminated early. ELAY will have the right to terminate the contract early under the following circumstances:

- a. Failure to comply with Current Legislation by part of the Supplier and especially with their labour, social or tax obligations related with the personnel assigned to executing the Order.
- b. Failure to comply with these General Conditions or the rest of documents that are part of the Order.
- c. Cessation of the legal status of the Company or sale or transfer of the Company or its transformation into another legal body.
- d. Transfer of the contract, in whole or in part, without prior, express, and written authorisation.
- e. The concurrence of any legal situation that limits the full capacity of the other party to administer or dispose of their property and which negatively affects their ability to comply with the obligations stipulated in the Contract (among these are the request for a required or voluntary arrangement, insolvency, voluntary bankruptcy or liquidation, its acceptance for processing by judicial resolution, or any other process of insolvency related with these companies or in the case of a general transfer of goods to the debtor in favour of its creditors).
- f. A mutual agreement between the parties.

22.2. Likewise, ELAY may cancel the Contract, in whole or in part, without incurring any expense by simply notifying the Supplier in writing in any of the following cases: (i) when, as judged by ELAY, delays in the manufacturing, assembling or execution may compromise the agreed delivery dates or the levels of quality required by the Contract will not be met; or (ii) when there is a "Change in Control" of the Supplier. For the purpose of this paragraph, "Change in Control" refers to the case where any person or group of people (acting, in this second case, in a coordinated manner) take control of the Supplier in a manner that, as judged by ELAY, its interests may be negatively affected. To these effects, said change in control will be considered effective when, after a direct or indirect purchase of Supplier shares, any of the requirements stipulated in article 4 of Law 24/1988 on the Stock market are present to consider that the Supplier belongs to the same group as the person or persons purchasing their shares.

22.3. In the event of early termination, ELAY may claim the goods and services with the only condition of paying for the work that has been completed to date, after which the Supplier will immediately deliver the goods. The Supplier shall be required to return the assets belonging to ELAY, which had been previously transferred to them at once when requested.

23. INVALIDITY

23.1. When any of the clauses of the Contract or these Terms of Purchase is declared illegal, invalid, or unenforceable, in whole or in part, said illegality, invalidity or unenforceability, will not be extended to the rest of the clauses, which shall remain in effect.

23.2. The parties agree to replace any clause that is deemed illegal, invalid, or unenforceable with another one that is as similar as possible in terms of its effect.

24. FORCE MAJEURE

24.1. Force Majeure is defined as any unexpected event or expected but not preventable and which makes it extraordinarily difficult or impossible for one or both parties to meet their obligations.

24.2. To these effects, the following are not considered Force Majeure: strikes, stops and labour conflicts that only affect the employees or personnel controlled by the Supplier, the lack of transport equipment of materials, delays attributed to subcontractors, nor any circumstance that is not communicated to ELAY within five days from when the event that caused them was originated, describing them and their expected duration as well as the alternative measures that have been or can be adopted to solve or minimise the impact said force majeure may have.

24.3. When an event of force majeure occurs, the compliance deadline will be extended for a period equivalent to the number of days the force majeure is in effect. If the force majeure event lasts more than 120 days or if, given the circumstances, it is obvious it will last more than 120 days, the unaffected party may terminate the contract by notifying the other party.

24.4. Neither of the parties shall be considered responsible for a failure to meet their contractual obligations when the execution of said obligations is delayed or impossible to carry out as a consequence of force majeure as defined in article 1.105 of the Spanish Civil Code, which will be communicated to the other party within a maximum of 48 hours.

24.5. The stipulated delivery deadlines shall be extended for a period equivalent to the time lost as a result of the force majeure. In the event that the force majeure remains in effect after the delivery deadlines have been delayed for more than 90 days, ELAY will notify the Supplier of their intent to continue or terminate the Contract.

25. LEGISLATION AND JURISDICTION

25.1. The Contract and all relationships between the parties by reason of the supply included in the scope of the Contract will be governed and interpreted in accordance with Spanish Law.

25.2. The parties agree that any litigation, discrepancy, question or claim resulting from the interpretation or execution of the Order or these General Conditions will be subjected, renouncing any other jurisdiction, to the Courts of Bergara, Gipuzkoa, Spain.

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ELAY LAN, S.L.U.

SUPPLIER

Versions of this contract are available in 3 languages; these languages are: Basque, English and Spanish.



In the event of a discrepancy or difference in interpretation, the Spanish version shall prevail for all intents and purposes.