

GENERAL TERMS OF PURCHASE

G1. - ACCEPTANCE OF THE ORDER

The order becomes automatically the Contract the very moment STEJASA receives a copy of it duly filled and signed in all its pages. The Vendor has a period of ten days (10) to formalise the acceptance of the order.

If after that period, the Vendor had not fulfilled this requirement, STEJASA will understand the total acceptance without any reserves, of all the terms on the part of the Vendor.

G2.-DELIVERY

The Date of Delivery established in the Purchase Order is an essential part of it, and so, it will be fixed and final. SUPPLIER acknowledges that delivery terms stated in Purchase Order for delivery of SUPPLY or any part thereof at its Delivery Place, including the delivery of Technical Documentation, are strictly binding and cannot be extended without the written consent of PURCHASER.

Should the Date of Delivery referred hereinabove be not fulfilled, a penalty shall be imposed after notice to the SUPPLIER. The application of said penalty does not release SUPPLIER from the fulfilment of his own duties and liabilities.

Unless a specific provision is written in the Purchase Order, the amount of the penalty will be one per cent (1%) of the total value of the Purchase Order per week of delay, or fraction of more than 3 days, with a limit of ten percent (10%) of the total value of the Purchase Order.

G3.-PRICES

Price(s) stated in Purchase Order is fixed and firm, and not subject to revision due to variation in the price index, increases in the cost of materials, labour or any other cause.

Price(s) are inclusive of all applicable taxes, levies, custom duties, etc. (except VAT, if applicable), unless otherwise stated in the Purchase Order.

PURCHASER shall not pay works by administration unless they were previously specified in the Purchase Order, parties have agreed unit prices for them and PURCHASER had issued a prior written order. PURCHASER shall not pay materials, equipment or works not included in the Purchase Order if they have not been previously quoted by SUPPLIER in writing and accepted also in writing by PURCHASER.

G4. - INVOICING

For each item of payment, according to section G5, STEJASA shall receive an invoice, in triplicate, with its corresponding VAT which will exclusively cover the concepts referred to in the current order.

Any invoicing of advanced payments will be conditioned to the prior total acceptance of the contract on the part of the Vendor according to section G1.

All invoices will be duly identified with STEJASA's reference order number.

The invoices will be in STEJASA's possession in a period maximum of 15 days after their emission.

The final invoice will reflect the total amount of the order, deducting the advanced payments.

For the payment of invoices, STEJASA will consider the date of the reception to our offices of the invoices, not the one it appears in the document itself.

All invoices will be paid at (90) ninety days of the reception at PURCHASER offices of the invoices, unless the Purchase Order states otherwise. Payment will be effected on the 20th day of each month or on the court day immediately after (There is no payment in August).

Non-compliance with the previous instructions could lead to the return of the invoice and therefore, the delay of the maturity date of the corresponding payments.

G5. - DELIVERY NOTES

Any delivery of goods to STEJASA or to third parties, as a result of an order from STEJASA, will be protected by the corresponding "Delivery Note", duly signed by the receiver. STEJASA could demand at any moment the delivery of that delivery note prior approval to the payment of an invoice.

G6. - INSURANCES AND LIABILITIES

All the expenses for the insurances (Civil Liability, etc...) will be included in the agreed prices. The Vendor will be legally responsible for all the damages caused by its fault, its personnel or its products.

The Vendor will exonerate STEJASA from any complain from third parties of all the damages attributable to the Vendor.

The Vendor will confirm he has a Civil Liability Insurance Policy according to the existing Spanish Law.

If STEJASA has to provide the Vendor the materials, machinery and/or equipments necessities for the execution of the order, the Vendor will take all the risks for the damage and/or lost during the period of time from the date of the supply of those materials to the delivery on his part, after the completion of the order.

G7. - SUBCONTRACTING

The Vendor could not subcontract the content of the present order to third parties without prior written approval from STEJASA.

In case of Subcontracting, the liabilities of the Vendor shall not change.

The purchase of raw materials and "Standard" or commercial elements is not considered as Subcontracting.

G8. - MODIFICATIONS

In case the Vendor has to make some modifications during the period from the order to the delivery that could cause some modifications in the TECHNICAL SPECIFICATION data, STEJASA will be informed by written notice. We understand as part of the specification the drawings and part lists given by STEJASA for the execution of this order. If those modifications would imply, at the same time, a change of the prices, STEJASA will have to approve them before starting the corresponding jobs.

G9. - TECHNICAL DATA

All the technical data on which the supply is based, is shown on the order. If the Vendor considers these data incomplete, he has the obligation to inform STEJASA.

G10. - CUMPLIMENTATION OF THE ORDER

The order will not be considered completed until the material, drawings, test reports, part lists and maintenance instructions, spare parts and all the documents and obligations required in the present order have been delivered.

G11. - QUALITY AND GUARANTEE OF THE SUPPLY

The materials supplied must be new and of high quality.

The Vendor, via the corresponding documents provided by the competent Public or Private Organisation, will confirm the quality of these materials. These documents must be in STEJASA's possession before the delivery of the materials and are the responsibility of the Vendor.

The Vendor guarantees that the materials supplied are free of labour, materials or manufacturing defects.

Furthermore, the Vendor guarantees that the supply is done according to the drawings, technical specifications or other documentation handed by STEJASA and, the legal legislation applicable to this supply currently in force.

SUPPLIER shall be responsible for making good as quickly as possible, and at no expense to PURCHASER, OWNER or End User, of any defects or failures in the SUPPLY arising from defective design, materials or workmanship or from any acts or omissions by SUPPLIER that may develop or become apparent under the conditions provided for in Order at any time before the expiry of the Guarantee Period stated hereinafter. Unless otherwise stated in Purchase Order the Guarantee Period shall expire 12 months after the actual start date of operation of SUPPLY in the facilities into which SUPPLY shall be incorporated, or 18 months from the actual date on which SUPPLY has been delivered to PURCHASER at the Delivery Place and Conditions stated in Order whichever is earlier. SUPPLIER's responsibility shall not cover defective design if made, supplied or specified by PURCHASER.

If SUPPLIER replaces or renews or modifies any part of SUPPLY, a new Guarantee Period of the same duration as the original one shall apply to the part of SUPPLY replaced, renewed or modified.

G12. - WORKSHOP INSPECTIONS

STEJASA and/or his customer or the people authorised reserve the right to inspect the material, at any moment, before its dispatch, in the installations of the Vendor and in those of his subcontractors. This inspection does not exonerate the Vendor of his warranty and responsibility for supplying the materials strictly following the specifications.

STEJASA reserves the right to make the appropriate tests, not only to the equipments manufactured in the workshops, but also of those commercial elements provided by STEJASA or third parties, with the aim to check the correct work of the whole group.

Besides, STEJASA reserves the right to omit of the inspection in the installations of the Vendor, without affecting to his right to inspect the material in its final destination. If the material is rejected in its final destination, it will be returned to the Vendor for its reimbursement, substitution or repair free of charge to STEJASA.

When the material is ready for its inspection, STEJASA will be informed, at least one week in advance, by the document "Notice for Inspection" in order to comply with the delivery dates specified in the section "Delivery Period".

If, as a result of this notice, the inspector visits the installation with a negative report from the point of view of the aim looked for in this inspection, the inspector will write a Protocol explaining this matter. Then, the expenses caused by this visit will be charged to the Vendor via charge note, whose amount will be deduced from the total amount of the Order.

The Vendor shall neither stop the manufacturing of the Order nor could adduce the non-presence of the inspector as a reason for the delay.

G13. - PACKING AND LABELLING

When necessary and, at STEJASA's request, the Vendor will allow the access to his installations and will offer the necessary assistance (personnel, tools, cranes, etc.) to the company STEJASA has directly appointed for the packing of the materials.

G14. - STORAGE

If STEJASA requests it, the Vendor is committed to a free storage of the material object of the contract in his installations, duly protected, for a period maximum of 3 months starting from the effective date of delivery.

G15. - CUSTOMER'S PROTECTION

The Vendor is committed to supply exclusively via STEJASA the spare and reserve parts necessaries for the equipments supplied, protected by the present order.

G16. - DOCUMENTATION AND CONFIDENTIALITY

The drawings and technical documents for the total or partial manufacturing of the machinery, elements, equipments, installations or services object of the order and issued by STEJASA to the Vendor, before or after the completion of the Contract must be considered as confidential and will remain exclusive property of STEJASA. The Vendor shall not use, copy, reproduce, transfer or communicate them to third parties without STEJASA's express authorisation.

G17. - BREACH OF CONTRACT

Should the Vendor, in any case, fails to fulfil the terms hereby stated, STEJASA reserves the right to cancel this order, partial or totally, with or without previous notification and, without prejudice of any other action, election or right that STEJASA may wish to choose, without any subsequent obligation with respect to the Vendor.

G18. - CANCELLATION AND TERMINATION OF THE CONTRACT

Apart from the aforesaid, the following reasons could cause the cancellation of the current contract:

- The unilateral suspension of the works on behalf of the Vendor.
- When STEJASA considers it is necessary for reasons such as war, demonstrations, force majeure, or natural catastrophes.
- When STEJASA's customer, for whom the supply or services are destined, notifies the initiation of bankruptcy or temporary receivership.
- Should the Vendor notify the initiation of bankruptcy or temporary receivership.
- Mutual agreement.

G19. - SUSPENSION OF THE PURCHASE ORDER

STEJASA could suspend at any moment, the execution of the order through a written notice to the Vendor. In this written notice STEJASA will specify the date and estimated duration of this suspension.

The Vendor, at that moment, will immediately suspend all the works in progress and, under the supervision of STEJASA, will take care and protect the supply in the state it was.

At STEJASA's request, the Vendor will deliver all the material in progress to STEJASA to whom it belongs.

STEJASA could put an end to the suspension at any moment through a written notice, indicating the date of this fact. At that moment, the Vendor compromises to use all his resources to restart with the obligations of the order.

The delivery date will extend for a period of time equal to the suspension time or for a longer period in case STEJASA considers it necessary so that the Vendor could accommodate to the situation of restart of the order.

Price Adjustment: If the Vendor had right to be compensated by the costs arisen by the suspension, STEJASA and the Vendor would resolve a just adjustment of the price. This price

adjustment must take into account both, the possible additional works due to the suspension and, the good disposition of the Vendor to restart the works in order to reduce to the maximum the delays caused by the suspension.

G20. - LIENS AND ENCUMBRANCES

SUPPLIER shall not file, claim or retain any lien, charge, hold or similar claim or encumbrance upon the SUPPLY.

The SUPPLIER guarantees and warrants that the SUPPLY to be delivered to PURCHASER and/or OWNER shall, as of the date of delivery, be free of any lien, charge, hold or similar claim or encumbrance of any third party.

SUPPLIER hereby agrees to indemnify and hold harmless PURCHASER and/or OWNER for and against any losses, damages, liabilities and costs which PURCHASER and/or OWNER may suffer or occur in connection with our resulting from any lien, charge, hold or similar claim or encumbrance upon the SUPPLY which any third party may hereafter claim or file as security for or against or in discharge of, debt, liability or charge which SUPPLIER may be alleged to be owing to such third party, and PURCHASER and/or OWNER shall have the right out of any amount, invoice by or otherwise due to SUPPLIER, to deduct any amount necessary to compensate and indemnify PURCHASER and/or OWNER for all such losses, damages, liabilities and costs.

G21. - FORCE MAJEURE

Neither STEJASA nor the Vendor will be considered transgressors of their contractual obligations, in the extent that the non-fulfilment of all or any of such obligations would be delayed or omitted for any event or circumstance within the reasons defined as "Force Majeure".

The "Force Majeure" reasons will be defined with regards to the legislation in force.

The expenses due to "Force Majeure" will be supported by the part that incurs in that expense.

Any part that may call for Force Majeure as delay or any contractual obligation will be to inform the other part, as soon as possible and by written notice, of the starting date and its nature, accompanied by the necessary proofs to this respect.

In any case, both parts will compromise to make all the reasonable efforts to the maximum any effect cause by Force Majeure.

G22. - SOCIAL AND LABOUR OBLIGATIONS OF THE VENDOR

The Vendor must strictly fulfil the social and labour obligations legally established.

At the request of STEJASA, the Vendor must adequately justify, with the presentation of the corresponding documentation, up to date in the payment of the fees to the National Insurances, salaries and other obligations referred to in section G16. The Vendor will be responsible for the damages o prejudices caused to STEJASA for the non-fulfilment of them.

G23. - MARKETING

It will not be possible to make reference or use the material supplied with advertising purposes without STEJASA's previous express authorization.

G24. - RIGHT OF OWNERSHIP

The supply object of the order will not remain submitted to control reservations, seizures or other charges to third parties. STEJASA will exercise full authority over the above mentioned supply at any time. Likewise, all those materials facilitated by STEJASA for their assembly and later incorporation to the final supply belong to STEJASA.

G25.-BANK GUARANTEES

As guarantee of fulfilment of all the terms and conditions of the Purchase Order, SUPPLIER shall deliver to PURCHASER a Performance Bank Guarantee issued by a Bank acceptable to PURCHASER, in an amount corresponding to 10% of the Purchase Order. This Bank Guarantee will be returned thirty (30) days after expiration of the Guarantee Period established herein.

In addition to the above, SUPPLIER shall deliver to PURCHASER an Advance Payment Bank Guarantee, issued by a bank acceptable to PURCHASER, in the form of a bank guarantee for the same amount of the advanced payment established in the Purchase Order. These bank guarantees will be terminated at the delivery date of the equipment covered by the correspondent invoice in accordance with the Purchase Order terms.

In addition, attached to the final invoice, supplier shall issue of a bank guarantee of an amount equal to 10% of the Purchase Order value valid till the end of the mechanical warranty period.

The bank guarantees mentioned hereinabove should have the same wording as the ones herein attached.

The bank guarantees, for being acceptable by the PURCHASER, must be issued by one of the following Banks:

- a) The Spanish Office of a First Line Spanish Bank.
- b) The Spanish Branch of non-Spanish Banks
- c) A Spanish Bank acting as the Correspondent of a foreign Bank, without offices in Spain.

G26. - VALIDITY OF THESE GENERAL CONDITIONS

These General Purchasing Conditions shall be valid and shall be an integral part of the Purchase Order where they are mentioned, with regard to all the terms and conditions there exposed, except in those where they are expressly altered by the Purchase Order text and/or its documents. In case of contradiction, the Purchase Order text shall prevail upon any other document.

G27. - BUSINESS TERMS

The international business terms used on the Purchase Order shall be in accordance with "INCOTERMS 2000".

G28. - JURISDICTION AND ARBITRATION

If the parties do not come to a friendly arrangement to all the questions and differences that could arise with regards to the fulfilment, execution and interpretation of the order, will be solved by means of an equity arbitrary judgement in accordance with Law 5th December, 1988.

The arbitration headquarters will be placed in the Chamber of Commerce of Madrid.

In line with the aforementioned Law, the parties pledge to accept the decision of this arbitration with express renunciation of their own laws and rights, as well as the ordinary judicial process.





PERFORMANCE BOND GUARANTEE

Whereas Stejasa Agregados Industriales, S.A., Albasanz, 34 - 28037 Madrid (Spain) (*The Buyer*), has issued a Purchase Order no.....to(*The Supplier*) for the supply ofEuro (letters.....)

Whereas(*The Supplier*) , in accordance with the provisions of the mentioned Purchase Order, shall submit, a bank guarantee as “Performance Bond Guarantee” issued by an approved primary bank in favour of STEJASA AGREGADOS INDUSTRIALES, S.A. covering the Supplier’s due execution and proper implementation of the actual Work provided under the Purchase Order

We (*The Bank*) with main office in guarantee to STEJASA AGREGADOS INDUSTRIALES, S.A. by way of substantive and independent commitment on behalf of(*The Supplier*) the amount of EUR,- (.....(*letters*)).

Therefore in compliance with above, we (*The Bank*) do hereby bind ourselves formally, firmly, irrevocably and unconditionally to pay you any amount you may claim not exceeding the above mentioned total sum against your first written demand and this notwithstanding any objection of whatever nature by(*The Supplier*) or any third party and without necessity of any legal or juridical proceedings.

This irrevocable and sole Bank Guarantee remains valid till the date of last presented invoice for the supply performed under Purchase Order no..... will be approved, by which its amount will be null and no later than



BANK WARRANTY BOND

Whereas Stejasa Agregados Industriales, S.A., Albasanz, 34 - 28037 Madrid (Spain) (*The Buyer*), has issued a Purchase Order no.....to(*The Supplier*) for the supply ofEuro (letters.....)

Whereas(*The Supplier*) , in accordance with the provisions of the mentioned Purchase Order, shall submit, a bank guarantee as “Warranty Bond” issued by an approved primary bank in favour of STEJASA AGREGADOS INDUSTRIALES, S.A. as security in support of the good quality of materials and/or services relevant to the SUPPLY and the fulfilment of all the obligations undertaken by(*The Supplier*) in respect of the above mentioned Purchase Order.

We (*The Bank*) with main office in guarantee to STEJASA AGREGADOS INDUSTRIALES, S.A. by way of substantive and independent commitment on behalf of(*The Supplier*) the amount of EUR,- (.....(*letters*)).

Therefore in compliance with above, we (*The Bank*) do hereby bind ourselves formally, firmly, irrevocably and unconditionally to pay you any amount you may claim not exceeding the above mentioned total sum against your first written demand and this notwithstanding any objection of whatever nature by(*The Supplier*) or any third party and without necessity of any legal or juridical proceedings.

This bank guarantee is valid until final acceptance issued by STEJASA AGREGADOS INDUSTRIALES, S.A. which is no later thanmonths after PAC or (.....*Date*) at the latest whichever come first.



ADVANCE PAYMENT GUARANTEE BOND

Whereas Stejasa Agregados Industriales, S.A., Albasanz, 34 28037 Madrid (Spain) (*The Buyer*), has issued a purchase order no.....to(*The Supplier*) for the supply ofEuro (letters.....)

Whereas *The Buyer*, in accordance with the provisions of the mentioned Purchase Order, is obliged to pay to(*The Supplier*) the down payment amounting to percent (.....%) of the Purchase Order value, and whereas.....(*The Supplier*) is obliged to procure the Bank Guarantee for the said down payment.

Therefore in compliance with above, we (*The Bank*) hereby irrevocably solely and independently of *The Supplier*, guarantee for the aforesaid amount and we undertake to pay to Stejasa Agregados Industriales, S.A. any amount up to the value herein established upon *The Buyer's* first demand stating that *The Supplier* has not acted strictly in accordance with the Purchase Order obligations, due to which fact *The Buyer* is entitled to ask for the return of paid down payment, this notwithstanding any objection of whatever nature by *The Buyer* or any third party and without necessity of any legal or judicial proceedings.

This irrevocable and sole Bank Guarantee remains valid till the date of last presented invoice for the supply performed under mentioned Purchase Order will be approved, by which its amount will be null and no later than