

GENERAL PURCHASE TERMS AND CONDITIONS

1. SCOPE AND VALIDITY

- 1.1 These General Purchase Terms and Conditions (hereinafter “General Purchase Conditions”) apply to all contracts, agreements and purchase orders concerning the supply of goods or services to or at the sites of SAIDI.
- 1.2 These General Purchase Conditions are published and available to all companies supplying goods or services to SAIDI (hereinafter Suppliers) in SAIDI web site.
- 1.3. The Supplier’s acceptance of any Purchase Order from SAIDI implies the acceptance of these General Purchase Conditions in such a way that these ones shall be part of the contract.
- 1.4 These General Purchase Conditions apply to all terms and conditions not specifically regulated in the Purchase Order, if they exist.
- 1.5 Any modification or exception to these General Purchase Conditions proposed by the Supplier is valid only provided SAIDI has expressly agreed to them and in writing, and apply only to the Purchase Order for which they have been confirmed.

2. ORDER ACCEPTANCE

- 2.1 The Supplier shall send a copy of the order properly confirmed as acceptance within the next 5 business days from the order issue date on. If no acceptance is received within that term, the Purchase Order shall be considered accepted and conformed to all terms and conditions on it.
- 2.2 Any amendment or modification of the terms and conditions from the Supplier shall not be valid without SAIDI expressly agreement.

3. DRAWINGS AND DOCUMENTS

- 3.1 The Supplier shall provide SAIDI with all required drawings for approval, user guides, maintenance manuals, manufacturing and quality certificates, approvals as well as all documentation specified in the Purchase Order. All associated costs shall be at the expense of the Supplier.

4. QUALITY CERTIFICATES

- 4.1 All goods shall be delivered along with the corresponding Quality Certificate as required.
- 4.2 Certificates shall be delivered along with the goods. In addition, an original and a copy shall be delivered along with the invoice.

5. INSPECCION

- 5.1 SAIDI has the right to inspect all supplies on the Supplier’s factory or storage site before delivery.
- 5.2 The inspection may be carried out in the Supplier facilities or in any other facility belonging to any subcontractors. SAIDI personnel shall be or authorized by Supplier and they will have free access at all times to these facilities.
- 5.3 The Supplier shall provide all required technical and human resources to perform the inspection. The inspection itself does not relieve the Supplier of its guarantees and responsibility of supplying the goods according the specifications.
- 5.4 SAIDI has the right to not carry out the inspection on the Supplier’s factory. That does not mean renunciation to inspect the goods at final destination. If goods are rejected at destination, and even after installation and commissioning, SAIDI will return the goods to the Supplier for refund or replacement free of charges for SAIDI. At SAIDI discretion, SAIDI can proceed to the necessary repairs charging all related costs to the Supplier.
- 5.5 The Supplier agrees to bear all costs of any test or inspection that reveals that materials, goods or services inspected are not compliant with the purchase order.

6. CANCELTATION

6.1 SAIDI may cancel the order at any time, totally or partially, upon written communication to the Supplier. Upon receipt of this communication, the Supplier shall stop all work related to the order and put all means at its disposal to cancel orders and pending, subcontracts to complete SAIDI satisfaction.

7. GUARANTEE

7.1 The supplier guarantees that all the materials or services are provided in conformity with the SAIDI Purchase Order. All supplies:

- a) Shall meet strictly all specifications, drawings or other descriptions listed by SAIDI.
- b) Shall be free of defects, shall be of the specified material and have been designed and manufactured according to the specifications of SAIDI.
- c) Shall be brand new (neither used nor refurbished), marketable and suitable for the purpose for which they will be used.

7.2 The Supplier guarantees the material against any defect for a period of twelve (12) months of continuous operation or eighteen (18) months, whenever it first occurs, from the delivery date on.

7.3 The supplier shall be responsible for all direct or indirect damages caused by defects in the material supplied, as well as all costs incurred by SAIDI and related to this contract.

7.4 The Supplier shall indemnify and hold SAIDI harmless against all claims from any third party, including but not limited to damage caused by the material supplied.

8. DELIVERY

8.1 Supplies must be delivered at the date and place and in the quantities and conditions specified by the Purchase Order. The Supplier shall fulfil all partial delivery dates and the final delivery date agreed in the Purchase Order.

8.2 All goods and supplies shall be delivered along with the packing slip in triplicate indicating:

- a) SAIDI Purchase Order Number and Date.
- b) Description of the delivered goods
- c) Number of packages and weight of each of them.
- d) Item code number as specified in SAIDI Purchase Order.
- e) Pricing unit, and total, taxes and discounts.
- f) The packing slip must be valued.

8.3 All materials and/or equipment must be suitably protected and packed to prevent any damage, damage from blows, oxidation, etc. attributable to inadequate protections of the product. Special care will be taken of machined and polished parts packaging.

8.4 SAIDI shall not admit any charge for packaging, if it has not been previously agreed. Packaging shall indicate externally, the sender and the number of SAIDI Purchase Order.

8.5 The supplier agrees to bear all extra costs resulting from defective or incorrect packaging as incorrect handling or transportation.

8.6 Deliveries before or after the date agreed will not be accepted without express written consent of SAIDI.

9. PENALTIES

- 9.1 If the Purchase Order had not been completed in its entirety at the date of completion of the delivery period, SAIDI has the right to apply a penalty for each week or fraction of delay according to specification in the purchase order, up to a maximum specified in the above order.
- 9.2 The Purchase Order is completed on the date of receipt at the destination all material and documentation.

10. PRICE

- 10.1 Prices indicated in the Purchase Order are considered firm and not subject to modifications, unless other adjustments agreed in writing exist.
- 10.2 Prices, unless otherwise agreed in writing, include assembly, instruction, packaging, transport, storage, delivery, insurance, excise duties and other delivery expenses and generally include all the costs of complying with the Supplier's obligation
- 10.3 Prices indicated in the purchase order include all types of packaging, transport, insurance according to INCOTERM indicated in the Contractual documentation. Any surcharge for these concepts, not included in the order, will be at the expense of the Supplier.
- 10.4 Prices indicated in the Purchase Order shall be exclusive of VAT (IVA).

11. BILLING

- 11.1 Invoices must be submitted in triplicate mentioning our item code number and separated by order number.
- 11.2 Invoices shall be allowed provided that all materials have been delivered and checked to conformity of SAIDI.
- 11.3 Invoices not indicating SAIDI Purchase Order Number and those not received in triplicate will not be accepted nor considered as received in regards to invoice date. They will be considered as "not received" and returned to be completed
- 11.4 If any defect is found in the goods, which is attributable to the Supplier, SAIDI has the right to retain a share of the purchase price, up to any defect have been eliminated. In this case, the payment period indicated in the second part of this section begins at the moment the complete elimination of the defect have occurred.
- 11.5 Invoices must be addressed to the company Central in Madrid (based in Avenida del Llano Castellano, 15 28034, Madrid) regardless of the place where the goods have provided.

12. PAYMENT

- 12.1 SAIDI General Payment conditions are by promissory note due the 5th of each month after 85 days of the date of the invoice. Any modification to these terms will be reflected in the purchase order being cancelled automatically the appropriate general condition clause.
- 12.2 Payment by SAIDI shall not constitute recognition that the Supplies are in conformity with the agreement and shall not imply in any manner whatsoever any renunciation of rights.

13. APPLICABLE LAW

- 13.1 The mere fact of acceptance of these General Conditions by our Suppliers means, in case of litigation, submission to the jurisdiction of the courts and tribunals of Madrid.