

## GENERAL TERMS AND CONDITIONS

**1.- APPLICABILITY OF GENERAL TERMS AND CONDITIONS. SCOPE.** These General Terms and Conditions of Agreement (hereinafter the "GTA") shall govern the contractual relationship between PROPULSIÓN Y GENERACIÓN S.A (hereinafter the "Contractor" or "Provider") with its clients (hereinafter, the "Client"), arising from the sale or supply of products, execution of works and/or repairs (hereinafter, the "Work(s)"); or from the provision of services (hereinafter referred to as the "Service(s)") to the Client, by virtue of agreements entered into between them, or by virtue of orders placed by the Client and accepted by the Contractor or Provider; or by virtue of offers made by the Contractor and accepted by the Client (hereinafter referred to as the "Order(s)").

"Work(s)" shall mean the sale or supply of goods and/or equipment ("Product(s)"), as well as the execution of work or services including the supply of materials, such as installation, commissioning, maintenance or repair of goods, equipment or products in general.

"Service(s)" shall mean any provisions, not including the supply of materials, the purpose of which is the execution of analysis, study, technical assistance or engineering services or the installation, commissioning, maintenance or repair of equipment or products in general. If the services are to be executed in separate sections, these GTA shall be applicable to each section separately.

These GTA shall be an integral part of all those agreements or Order(s) accepted by the Contractor. The Client hereby accepts, without any reservations whatsoever, the incorporation of these GTA to any Order(s) placed by the Client, having had the opportunity to thoroughly examine its contents through having been provided with a copy of the same, as well as the GTA appearing in the following Internet web page:  
<https://www.progener.es/wpcontent/uploads/2021/06/CCG-G-progener2021-eng.pdf>

The contractual terms and conditions set out herein shall be binding on the parties in any and all matters not specifically agreed to in the Order(s). The application of any clauses not expressly accepted by the Contractor or the Client's own general conditions of purchase is hereby excluded. Any modification of the GTA shall be in writing and must be accepted by the Contractor at the time or after the Order(s) is issued.

The General Conditions will be referred to as "GTA" for general reference, or "GA" for reference to a particular general condition.

**2.- ORDER CANCELLATION.** Once an Order has been accepted, the Client may only cancel all or part of the Order under an agreement reached with the Contractor on the conditions for such total or partial cancellation. On cancellation or revocation of an Order by the Client, the Client shall compensate the Contractor for any damages caused to the Contractor, including as a minimum consequential damages and loss of profit at a rate of 30 % of the price of the cancelled or revoked Order(s).

**3.- INFORMATION ON WORK AND/OR SERVICES.** All information and data contained in the general documentation of the scope of the Work(s) and/or Service(s) shall be binding only insofar as they are expressly included in the Order(s).

**4.- INFRINGEMENT OF INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS; CONFIDENTIALITY COMMITMENT.** All technical documentation referring to any Work(s) and/or Service(s) submitted by one party to the other, before or after the formalisation of the Order(s), shall remain the property of the submitting party.

The parties shall treat as confidential all documents, data, materials and information provided by the other party, and may not disclose them to any third parties nor use them for any purpose other than the execution and performance of the agreement, unless with the prior written consent of the other party. This commitment does not preclude the provision of the name of the Client, as well as the basic data of the agreement, as part of commercial references.

**5.- CHANGES TO THE SCOPE OF THE WORK AND/OR SERVICES.** The Client may request changes to the scope, design and execution of the Work(s) and/or Service(s) prior to the commencement of the same. The Contractor shall not be obliged to make changes until the parties have agreed on the effects of such changes on the Agreement Price, deadlines and other terms and conditions of the agreement.

**6.- PRELIMINARY TESTS.** Should the Order(s) establish the performance of tests prior to the execution of the Work(s) and/or Service(s), such tests shall be carried out, unless otherwise agreed, at the premises named by the Contractor, during ordinary working hours. Should the Order(s) fail to specify the technical requirements, the tests shall be carried out in accordance with general practice in the relevant industry.

**7.- EXECUTION CONDITIONS AND REQUIREMENTS.** The Client shall guarantee that all necessary conditions for the provision of the Work(s) and/or Service(s) are met, seeing that all and any materials necessary are provided timely and providing the relevant premises with all technical, regulatory, occupational safety and legal requirements demanded for the correct execution of the Work(s) and/or Service(s). Failure to comply with these requirements entitles the Contractor not to carry out the Work(s) and/or Service(s) and to terminate the agreement, under compensation for any damages caused in accordance with GA 2.

In the case of Work(s) and/or Service(s) performed outside Spain, the Client shall provide the Contractor in writing with the relevant information about the applicable legislation, regulations and standards so that the Work(s) and/or Service(s) can be performed in full compliance.

**8.- RECEPTION.** The reception of the Work(s) and/or Service(s) by the Client shall take place: a) on Product or Service delivery; b) when, the parties having agreed not to

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carry out reception tests, the Client receives the Contractor's communication stating that the Work(s) and/or Service(s) have been completed; c) when it has been agreed to carry out reception tests, at the moment when they have been completed or can be considered "satisfactorily completed".

Minor deficiencies not affecting efficiency or purpose of the Work(s) and/or Service(s) shall not preclude acceptance.

**9.- RECEPTION TESTS.** If it has been specifically established in the Order(s) that reception tests or trials are to be carried out, once the Work(s) and/or Service(s) completed such tests or trials shall be carried out in order to determine conformity for acceptance as agreed. In such cases, the Contractor shall notify the Client in writing that the Work(s) and/or Service(s) are ready for reception. Such notice shall include a date for reception tests. The Client shall bear all costs of such reception tests.

The Client shall provide free of charge any supplies of energy, lubricants, water, fuel, raw materials and other materials necessary for reception tests and for final adjustments in preparation for such tests. He shall also install free of charge any equipment and provide labor and any other assistance necessary to carry out said reception tests.

Should the Client fail to fulfill his obligations or otherwise prevent reception tests from being carried out, the tests shall be deemed to have been "satisfactorily completed" on the date set for the performance of the reception tests in the Contractor's notice.

**10.- PRODUCT DELIVERY.** Delivery of the product will be "Ex Works (EXW)" –In Factory–, unless another delivery method has been indicated in the Order(s). On delivery, any risk of loss or damage to the Product shall be borne by the Client.

**11.- PRICE AND CONDITIONS OF PAYMENT.** Price shall mean the payment to be made for the Work(s) and/or Service(s). The price shall not include any concepts, supplies, activities, expenses or taxes not specified in the Order(s). The price shall be the price established in the Order(s). If the Client places the Order without determining the price, it shall be understood that the execution of work or services is contracted by administration or economy. In this case, the price shall be determined on the basis of the materials purchased and actually used, labor employed by the Contractor and work actually performed. Under this modality, the Client shall pay the price of the materials and labor actually used in the execution, expenses incurred and Contractor's industrial profit.

Any costs or interest arising from the deferment or change of payment conditions shall be borne by the Client.

The terms of payment of the price shall be those set out in the Order(s). In the absence of agreement, payment of the price shall be made upon issuance of the invoice.

The Contractor shall be entitled to interests from the payment due date, and to compensation for collection costs

according to Law 3/2004, of 29 December, on late payment in commercial transactions.

In the event of late payment by the Client, the Contractor may suspend execution of the agreement or Order(s) until payment is received or, as the case may be, until the Client provides adequate security. If the Client has not paid up the amount due after 1 month from a due date, the Contractor may, by written notice to the Client, demand execution of the agreement or terminate the agreement and, in either case, claim damages, which shall be at least those set out in GA 2; the Client may retain any amounts previously received, on account of the price, by way of compensation for damages.

**12.- RESERVATION OF TITLE.** The product shall remain the property of the Contractor until it has been fully paid for.

The Client shall, at the Contractor's request, assist the Contractor in taking any measures necessary to protect its title to the product. The reservation of title shall not affect the transfer of risk referred to in GA 10.

**13.- EXECUTION DEADLINES.** The deadline or calendar established in the Order(s) is indicative and may be subject to change due to justified reasons such as force majeure, strike, transport difficulties, defects or delays in the work of subcontractors, inclement weather, or when said deadline change arises from the process of approval of technical documentation by the Client.

In the event of a delay caused by any of the above circumstances or those referred to in GA 21 Force Majeure, or by an act or omission on the part of the Client, including suspension for default or anticipated default, or any other circumstances attributable to the Client, the Contractor may extend the time for completion and receipt of the service by the period of time deemed necessary in view of all the circumstances of the case. This provision shall apply irrespective of whether the reason for the delay occurs before or after the scheduled date of reception.

In the event of delay without justified cause for the Contractor, the Client shall be entitled to compensation for damages from the third week of delay from the initial reception date. Compensation for damages shall be payable at the rate of 0.50 per cent of the purchase price for each full week of delay, calculated from the time limit laid down in the first paragraph. Compensation may not exceed 5.00 per cent of the price of the Work(s) and/or Service(s), without prejudice to the total exclusion or greater limitation of compensation agreed therefore in the Order(s).

If the delivery of only part of a Work and/or Service is delayed, compensation for said delay shall be calculated on that part of the price corresponding to that part which, as a result of the delay, cannot be used as foreseen by the parties.

The Client shall lose his right to compensation if he does not submit a written claim for damages within 15 days from the date on which receipt should have taken place.

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If the delay in delivery is such as to entitle the Client to the maximum compensation under this clause, and the Work(s) and/or Service(s) remain uncompleted, the Client may demand In Writing completion of the same within a reasonable final period of not less than three weeks. If the Contractor fails to do so within such final period, and this is not due to circumstances outside the responsibility of the Contractor, the Client may then, by notice In Writing to the Contractor, terminate the Agreement in respect of that part of the Work(s) and/or Service(s) which, due to the failure to meet the deadline, cannot be used as foreseen by the parties. If the Client terminates the Agreement, the Client shall be entitled to compensation for any proven loss suffered by the Client, which shall not exceed 10 % of the part of the price corresponding to the part of the Work(s) and/or Service(s) in respect of which the Agreement has been terminated.

Compensation for delay and termination of the agreement with damages as set out in this clause are the only remedies available to the Client in the event of delay on the part of the Contractor, even in the event of gross negligence on the part of the Contractor.

**14.- CONDITIONS OF REPAIR.** The minimum value of the Product subject to repair is 500 € (RRP). The repair of the Product will be carried out without need for a prior estimate, unless expressly agreed in writing, with the Client. The repair time may vary depending on the availability of spare parts.

An amount of 3 Euros per day will be charged for the deposit, custody and storage of the Product, from the time it is made available to the Client until its effective withdrawal. After 6 months without the Client collecting the Product, the Contractor will inform the Client, at the address provided by the latter, that it has a period of two (2) months to remove it, and after this period has elapsed, if the Client has not removed it, the Product will be considered abandoned, the Client will lose all right to claim for it and the Contractor will dispose of it as appropriate (through sale or waste treatment).

**15.- LIABILITY FOR DEFECTS IN WORKS. WARRANTY AND EXCLUSIONS.** The Contractor guarantees conformity of the Products and Work(s), for which he shall remedy any defect or lack of conformity (hereinafter "defect(s)") of the Products or deficiencies in the execution of Work(s). In case of resale, the guarantee shall be the one set out by the Product manufacturer.

The Client submits to deadlines and formalities established in the Spanish commercial legislation for the purchase and sale, and therefore: a) Claims on the supplied quantity of Products must be made at the time of delivery and recorded on the delivery note, and the Contractor shall not accept claims made subsequently; b) Product defects or flaws that may be appreciated through a proper examination at the time of delivery, must be notified at the time of delivery; c) internal defects or flaws not visible to the naked eye and discovered subsequently shall be notified within a maximum period of 15 days after discovery. The complaint shall be made in writing, stating the exact nature and extent

of defects. The Client shall be responsible for the burden of proof of the defective nature and date of discovery.

The Contractor's liability for the execution of Work(s) is limited to defects becoming apparent within 6 months of receipt of the Products or Work(s). If the use of the product, good, installation or equipment to which the Work(s) refers exceeds the one considered or customary, said period shall be reduced proportionally.

The Client must immediately report in writing any deficiencies or non-conformity of the Products and Work(s), without any incidents reported after the end of the guarantee period being covered, the Client being subject to the deadlines and formalities set out in the Commercial Code.

The guarantee rights do not cover the costs of intervention outside Spain, and the Client must assume the costs of travel, stay, transport, return of parts, etc., incurred by the Contractor in the repair of defects in such event. The guarantee does not include, therefore, neither the travel of staff to premises, nor labor necessary to replace the damaged element, which will be at the Client's expense. The liability under the guarantee shall be limited in quantitative terms (value of the work to be carried out by the Contractor or third parties) to a maximum amount of 30% of the agreement price.

**The Contractor's liability does not extend to defects arising from:**

- 1.- Non-conformity of products, goods or equipment not supplied by the Contractor.
- 2.- Technical documentation and information provided by the Client for execution of the Work(s).
- 3.- Inadequate orders or technical direction received from the Client's staff (or staff hired by the Client), when the work is under administration or executed under the direction of the Client or third parties.
- 4.- Accidents, knocks, improper handling or negligent, improper or clearly inadequate use of the product or installation related to the Work(s) subject to the guarantee.
- 5.- Materials or parts provided by the Client.
- 6.- Inadequate following of installation, commissioning, use and maintenance instructions and/or technical and safety regulations and standards in force at any given time.
- 7.- Interventions, modifications or repairs not carried out by staff authorised by the Contractor.
- 8.- Damage caused by floods, third party actions or any other force majeure causes beyond the Contractor's control.
- 9.- Ordinary wear and tear or hidden defect.
- 10.- Overvoltage and/or changes in the electricity supply.

**16.- LIABILITY IN THE PROVISION OF SERVICES. WARRANTY AND EXCLUSIONS.** To the extent that the Provider's obligation in the provision of Service(s) is one of means, and not of result, the Provider undertakes to use its best efforts in the performance of the Service(s), its duty of care being similar to that which a company of the same status would use in similar circumstances. The Provider shall be liable for technical quality, omissions, errors, mistakes, improper methods of performance and services performed, or incorrect conclusions in the performance of

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the agreement (hereinafter “defect(s)”), in accordance with the scope set forth for the Service(s), subject always to the applicable warnings, limitations and disclaimers of liability.

The Provider guarantees conformity of the Service(s) where a result has been expressly guaranteed in writing. In such cases, the Provider shall remedy any defect or lack of conformity (hereinafter “defect(s)”) caused by deficiencies in the Service(s) delivery.

In any case, the Provider's liability for the execution is limited to defects becoming apparent to the Client within 6 months of receipt of the Service(s). If the use of the installation or equipment to which the Service(s) refers exceeds the one considered or customary, said period shall be reduced proportionally. In no event shall the Provider's liability for defects extend beyond 6 months from receipt of the Service(s).

The Client must immediately report in writing any deficiencies or non-conformity of the Service(s), without any incidents reported after the end of the guarantee period being covered, the Client being subject to the deadlines and formalities set out in the Commercial Code.

The guarantee rights do not cover the costs of intervention outside Spain, and the Client must assume the costs of travel, stay, transport, return of parts, etc., incurred by the Provider in the repair of defects. The guarantee does not include, therefore, neither the travel of staff to premises, nor labor necessary to replace the damaged element, which will be at the Client's expense.

The liability under guarantee shall be limited in quantitative terms (value of the work to be carried out by the Contractor or third parties) to a maximum amount of 30% of the agreement price.

### **The Provider's liability does not extend to defects or non-conformities arising from:**

- 1.- Non-conformity of products or equipment for which the Service(s) is/are intended.
- 2.- Technical documentation and information provided by the Client for execution of the Service(s).
- 3.- Inadequate orders or technical direction received from the Client's staff (or staff hired by the Client), when the work is under administration or executed under the direction of third parties.
- 4.- Accidents, knocks, improper handling or negligent, improper or clearly inadequate use of the product related to the Service(s) subject to the guarantee.
- 5.- Materials or parts provided by the Client.
- 6.- Inadequate following of installation, commissioning, use and maintenance instructions and/or technical and safety regulations and standards in force at any given time.
- 7.- Modifications or repairs not carried out by staff authorised by the Provider.
- 8.- Damage caused by floods, earthquakes, third party actions or any other force majeure causes beyond the Provider's control.
- 9.- Ordinary wear and tear or hidden defect.
- 10.- Overvoltage and/or changes in the electricity supply.

**17.- UNENFORCEABILITY OF GUARANTEE.** Total or partial failure to comply with the obligation to pay the price shall preclude the enforceability of the guarantee, and the Contractor/Provider shall be indemnified from any obligation thereof, except for immediate payment of the amounts due, before the end of the applicable guarantee period.

**18.- LIABILITY FOR DAMAGE CAUSED BY WORKS AND/OR SERVICES.** The Contractor/Provider shall not be liable for material or personal damage caused by the Work(s) and/or Service(s) after receipt of the same by the Client.

**19. LIMITATION OF LIABILITY.** The Contractor/Provider shall not be liable to the Client in the event of breach of the Agreement for any indirect or consequential loss or damage, whether for loss of production, revenue, profits, loss of business or agreements, loss of profits, loss of goodwill, decommissioning, dismantling, loss of use of ships or vessels, machinery or equipment or otherwise, or any other consequential loss or damage, direct or indirect, nor costs, expenses and other claims for consequential compensation, including, without limitation, punitive or exemplary damages, caused for any reason whatsoever, arising out of or in connection with the Works, Products and Services, even if the Contractor/Provider has been advised of the possibility of such damages, and even in the case of gross negligence on the part of the Contractor/Provider.

Without prejudice to the application of the specific limitations and exclusions of liability hereby established, the maximum total liability of the Contractor/Provider towards the Client, in all concepts able to be claimed by the Client, arising from damages produced in the execution or expected execution of the Agreement, shall not exceed in total, quantitatively and qualitatively, 80% of the amount (price) of the agreement itself, even in the case of gross negligence of the Contractor.

The exclusion and limitation of the Contractor's liability set out in this GA clause shall apply to any defective performance or non-performance by the Contractor, and the Contractor's liability in respect of such events shall be expressly limited in relation to the delivery of the Work(s), Service(s) and Products. Should any liability exclusion or limitation be invalid in a given jurisdiction, said exclusion or limitation shall be deemed to be superseded by the valid exclusion or limitation which comes closest to the purpose and object of the original exclusion.

**20.- TRANSFER AND SUBCONTRACTING.** Neither party may assign the agreement or Order to a third party. The Contractor may, however, subcontract to third parties the performance of specific works or services.

**21.- FORCE MAJEURE.** Neither Party shall be liable for any failure to perform its obligations if such failure is due solely to a Force Majeure event. Force Majeure events shall include any events or conditions beyond a Party's reasonable control and which cannot reasonably be

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foreseen, including acts of God or catastrophic events such as fire, flood, earthquake, typhoon, epidemic, war, riot, or revolution. The following shall be considered Force Majeure for the Contractor to suspend performance of its obligations: labor disputes or strikes of its own employees, suppliers or subcontractors, and any other circumstances beyond its control such as restrictions in the supply of energy and defects or delays in deliveries by subcontractors.

**22.- FORESEEABLE BREACH OF CONTRACT.** The Contractor may defer and suspend performance of its obligations and therefore of the agreement, if it becomes apparent that the Client will not fulfill its obligations because of: a) a serious impairment of its ability to perform or its solvency, or b) its inadequate behavior in preparing to perform or in performing the agreement.

Suspension of the Agreement execution shall be notified to the other party, and the suspension shall continue until the Client sufficiently guarantees, in the Contractor's opinion, the fulfillment of its obligations.

**23.- APPLICABLE LAW AND JURISDICTION.** All agreements and/or covenants entered into between Client and Contractor/Provider, these GTA, the Order(s), their execution and interpretation, shall be governed by Spanish common law, excluding its conflict of law rules and the 1980 Vienna Convention on the International Sale of Goods.

Agreements entered into between the Client and the Contractor, relating to Works, shall be interpreted in accordance with ORGALIME SE 01, whose general conditions for the supply and assembly of electrical, mechanical and electronic products shall apply to those issues and matters that are not specifically regulated by these general terms and conditions.

Any disputes or litigation that may arise in relation to the interpretation, execution or fulfillment of the agreements and/or covenants signed between the parties shall be subject to the jurisdiction and competence of the Courts and Tribunals of the city of Vigo, Galicia, Spain, to the exclusion of any other forum.