

GENERAL PROCUREMENT TERMS AND CONDITIONS OF THE ACERINOX GROUP: ACQUISITION AND SUPPLY OF GOODS

A. DEFINITIONS:

In these General Terms and Conditions, the following terms shall have the meanings appearing hereunder:

1. “**Client**” is the organisation of the Acerinox Group submitted to Spanish laws procuring the acquisition or supply of Goods, and the organisation succeeding such organisation for any reason.
2. “**Procurement Body**” is defined as the Client-end person or department authorising the acquisition or supply of Goods.
3. “**Client Manager**” is the person appointed by the Client as the manager of the acquisition or supply of Goods and the contact person with the Supplier. Unless the Client provides otherwise, the Client Manager will be the head of the production unit or the Department purchaser of the Goods. The Client Manager will endeavour to ensure that instructions on performance are always provided to the Supplier Manager.
4. “**Supplier**” is defined as the natural person or legal entity or organisation with which the Client procures the acquisition or supply of Goods.
5. “**Supplier Manager**” is the person appointed by the Supplier prior to undersigning the Agreement as the manager of the Agreement and the contact person with the Client. Should such person not be mentioned in the Agreement, the person signing the Agreement on behalf of the Supplier shall be the Supplier Manager.
6. “**The Good or Goods**” means the Good or merchandise that the Client acquires in compliance with the Agreement.
7. “**Agreement**” is the Agreement by and between the Client and the Supplier for the acquisition or supply of Goods to which the Client General Procurement Terms and Conditions will be attached.
8. “**Special Conditions**” are the specific conditions of the Agreement executed by the Client and the Supplier.
9. “**General Terms and Conditions**” are the General Procurement Terms and Conditions of the Acerinox Group: acquisition or supply of Goods.

B. SCOPE

These General Terms and Conditions are the sole basis for the acquisition or supply of Goods by the Client, and such terms and conditions will be applicable where and whenever the Client is party in the acquisition or supply of Goods.

The scope of these General Terms and Conditions expressly excludes the following types of Agreement (unless they are expressly declared applicable): contracts rendering a service, contracts/agreements for purchasing or erecting machinery, purchasing and other transactions on real estate, purchase of scrap, nickel, chrome, molybdenum, and other ferroalloys, contracts/agreements arranged exclusively among the Acerinox Group companies with no third-party intervention, and Agreements through which the Acerinox Group sells an asset or a right.

When a Supplier sends a bid, approves an order or starts to execute such order, this shall be construed as sufficient proof of the full knowledge and acceptance of these General Terms and Conditions.

When the Agreement involves additional obligations which are the subject of other Acerinox General Procurement Terms and Conditions, such obligations will be governed by the provisions set forth herein, insofar as applicable.

Amendments of these General Terms and Conditions in relation to a certain Agreement will be valid solely for such Agreement and should be made in writing.

Any reference to Supplier's general or specific terms and conditions of sale, which may be contained in such Supplier's documents, will not be binding for the Client under any circumstance and these terms may not, under any circumstance, be regarded as being an integral part of the Agreement, even in the event that the Client had not expressly rejected such terms.

C. GENERAL TERMS AND CONDITIONS APPLICABLE TO ALL ACQUISITION OR SUPPLY OF GOODS

1. PURPOSE

The Supplier will deliver Goods in the quantity and quality established in the Agreement, and also marked, labelled and packed as required therein, and if there isn't any express requirement, with that appropriate for that kind of product, in compliance with the Spanish rules on protection of consumers and users.

Every delivery will have attached the invoice or a delivery slip containing the quantity, name of the product, number of order or Agreement, number of packages and other information stipulated in the Agreement.

The Goods' weight established by the Supplier will be valid, if the scale used is according to European standards. In case there are disagreements with the weight, the parties will appoint a third party who's decision will be binding, assuming this cost the party who's weight was further away from that determined by the third party.

In addition the Client's technical specifications for the Goods and internal commercial terms in relation, among others, to quality, quantity, transport and packaging, which the Supplier may request at any time to the Client shall apply to the Agreement. These terms and specifications are incorporated by reference in the present General Conditions.

The Supplier should inform the Client about the susceptible risks due to a foreseeable use of the Goods, taking into account its nature, characteristics, duration and the people to whom it's destined.

The chemical products and all the Goods which contain substances classified as dangerous must be packed with the corresponding security guarantees displaying clearly the appropriate indications advising about their risks.

2. DELIVERY CONDITIONS

The Goods delivery will be done according to the provisions in the Agreement. If it doesn't mention the place to make delivery, it will be done the Client's premises (DDP Incoterms 2010). If it doesn't mention any term, the delivery should be immediate.

The Supplier can't carry out partial deliveries nor advance ones unless there is a written authorisation of the Client.

The transport will be done in accordance with the provisions of the Agreement. If the Supplier is in charge of it, he will look after doing it in the best possible conditions of security and speed.

The Supplier can't justify the breach of his obligations due to the Clients insolvency.

3. TITLE TRANSFER

The Goods title transfer will take place in accordance with the INCOTERM mentioned in the Agreement, and in case this is not possible in accordance with the INCOTERM DDP (INCOTERMS 2010).

4. PRICE

The price will be established on the basis of unitary items agreed for a lump sum.

The price agreed shall be fixed and not be subject upward reviews unless otherwise agreed. The price includes all necessary expenses to attain compliance with the Agreement including packaging.

5. TAXES

Taxes will be paid by each party in compliance with the legislation applicable to each of such parties. Any taxes to be paid by the Client must be itemised separately, when applicable, in each and every one of the invoices or credit notes issued by virtue hereof.

Parties hereto agree to cooperate with each other in obtaining tax relief and tax credits arising out of the Agreement.

6. INVOICING

Supplier will issue invoices as applicable, in compliance with the provisions set forth in the Agreement, and as set forth in applicable regulations in force, including the codes and references provided by the Client.

No items which are not expressly stated in the Agreement or which are not authorised by the Client may be included in the invoices.

When Client so requires, the Client itself will issue the invoice using a self-billing procedure, which must be accepted by the Supplier by signing the relevant document of acceptance.

7. PAYMENT

Unless otherwise agreed herein or established by the applicable law, Client will pay invoices at ninety (90) days from the date of the Goods reception or the invoice (whichever is the latest), with a bank transfer or bank confirmation of payment (confirming) - at Client's discretion - to the account stated in the Agreement or the account stated in writing by the Supplier.

All expenses arising from the payment will be for the account of the Supplier.

The payment of the Good by the Client may not, under any circumstances, be construed as an express or tacit acknowledgement of the conformity of the Good with the Agreement. Client reserves any rights it may be entitled to for any missing items, losses, damages, defects, flaws or non-conformities of the Good.

8. NON-PAYMENT

Amounts owed by the Client which are not made effective on the due date without a justified cause will accrue an annual rate of interest up to the payment of the principal at a rate of EURIBOR +0.5%.

These late-payment interests will serve as compensation to the Supplier for any damages which may result from unjustified non-payment by the Client, and Supplier will not be entitled to any further claims for any other items.

9. AMENDMENTS

Any amendment or extension of the Agreement must be made in writing and undersigned by the parties hereto.

10. EXECUTION TIMES OF THE AGREEMENT

Execution times of Supplier obligations are a material condition of this Agreement, the breach of which will entitle Client in addition to any other penalty or responsibility under the Agreement to choose between specific performance and the termination of the Agreement, with the entitlement to compensation for damages caused in both scenarios.

Bringing forward the execution time will require the prior Agreement of the Client.

11. INFORMATION ON AND CONTROL OF THE EXECUTION OF THE AGREEMENT

Supplier undertakes to inform the Client, within a maximum term of forty-eight hours, on any events which may have an impact on the performance of the Agreement.

Notwithstanding the above, if such an event could be the cause for the total or partial stoppage of the order or a delay in the performance of the Agreement, the Supplier will immediately report such event to the Client when it were aware of any such event.

Client reserves the right to audit the work being developed for the performance of the Agreement at any time, even at the facilities of the Supplier.

12. MATERIAL MEANS OF THE SUPPLIER

For the performance of the Agreement, Supplier must provide all tools, equipment, tooling, materials and, in general, all means required for the performance thereof.

Supplier states that it is the owner of all materials, services, software, methodologies, manuals, applications and technology advantages used for the performance of the Agreement, or that it is entitled to use, distribute and assign such materials, services, software, methodologies, manuals, applications and technology advantages.

Supplier warrants the Client that the Good does not violate or involve an undue appropriation or in any other way involve damage to or interference with any patent, copyright, trademark, design right or other intellectual property, industrial property or know-how of any third party anywhere in the world. The Supplier agrees to fully release and hold

harmless the Client, its directors, employees, agents, distributors, resellers, customers or representatives regarding any claims, damages, losses, costs and expenses, including legal fees, arising from a breach of the guarantee to which this paragraph refers, in relation to the non-infringement of third-party rights.

In the event that any third party brought a claim for violation against any Acerinox Group company in relation to the Goods, the Supplier would cooperate in the defence, as required by Client, and all of the above at the Supplier's expense. All expenses (including legal fees) and damages arising from said claim will be paid by Supplier.

Supplier grants Client a licence, which may be sub-licensed, which is free, non-exclusive, worldwide, irrevocable and without limitations, to use and amend the industrial property, intellectual property and know-how related to the Goods.

Client shall not be responsible for the theft of or damages to material means of the Supplier left at the former's facilities.

13. SUPPLIER HUMAN RESOURCES

Supplier will assign the necessary staff to the performance of the Agreement, both in relation to the number of such persons and the qualifications required for the tasks entailed.

Supplier will appoint a Supplier Manager who must be a person with the necessary skills involved, assuming exclusively the communication between the Client and the Supplier.

Supplier will be responsible for payment of the salaries of the employees executing the Agreement, in addition to payment of Social Security contributions and other Social Security resources which are enforceable under applicable legislation in force.

Payment of Social Security contributions and other Social Security resources must be effected in the manner and within the voluntary payment period set forth in regulations and, in the case of salaries, within the term set forth in legal regulations and/or the term agreed.

Supplier manifests and warrants that it is up-to-date with salary and Social Security obligations in relation to its employees and, in general, that it fulfils the applicable regulations and it holds Client harmless from any liability in relation to the above.

Supplier endorses and guarantees its staff, and it will be jointly liable versus the Client for any damages caused to the Client in the performance of the Agreement, indemnifying the Client for all damages caused by such staff.

14. UN GLOBAL COMPACT INITIATIVE

The Supplier shall observe the principles of the Global Compact initiative. These principles relate essentially to the protection of human rights, minimum working conditions, environmental responsibility and avoidance of corruption. More information on the Global Compact initiative can be found by following this link:www.unglobalcompact.org.

15. LICENCES AND PERMITS

Supplier shall be responsible for requesting and gaining all permits, legalisations, authorisations, visas and licences required for the transport, sale and utilization of the Goods, specially the CE mark and the compliance of the specific rules which regulate them, like for example REACH rules. Notwithstanding the above, the Client, assuming the Supplier all the costs, will actively cooperate in the attainment of such licences and permits following a request from Supplier, by undersigning, providing or issuing any plans, documents or certificates required to achieve the above.

In any event, the sums accrued as a consequence of such authorisations, visas or licences or as a consequence of the establishment of deposits or guarantees shall always be for the account of Supplier and shall be regarded as being included in the price of the Agreement. Supplier will further be liable for any consequences arising from the lack of such licences, visas or permits.

In the case of imports or exports, licences or permits required by any authority or government or public organisation or even by private companies, shall be at the expense of the Supplier, and its expenses and costs will be construed as being included in the price of the Agreement.

The Supplier must inform the Client about the necessary authorisations for the exports of the Goods.

16. THE ENVIRONMENT

Client may request from Supplier, at any time, documents certifying the compliance with environmental legislation of the Supplier and its sub Suppliers on an international, community, state, regional and local scale, all of the above notwithstanding the entitlement of Client to control work developed by Supplier for the execution of the Agreement.

Client will furnish Supplier prior to the start of the Agreement with the internal regulation on environmental behaviour, and Supplier will be obliged to comply with and order the compliance of its staff with both said internal regulations and any other applicable regulations.

Supplier must provide Client with a list of the chemical, gas, and miscellaneous materials used in the execution of the Agreement. It must further report the waste generated stating the type and approximate annual amount of such waste.

Supplier will hold Client harmless from any damages that it may suffer as a consequence of breaches of environmental legislation by the Supplier.

As far as possible, the Supplier will provide products or materials with ecologic label and will re-use and recycle the waste generated as a consequence of the products and materials supplied.

17. DELAYS IN THE EXECUTION OF THE AGREEMENT BY THE SUPPLIER

Notwithstanding Client's entitlement to termination, specific performance and compensation, in the event of a delay attributable to the Supplier, such Supplier will pay Client the penalty stipulated in the Specific Conditions. When no such penalty was stipulated in the Specific Conditions, Supplier will pay a penalty of 0.5% of the total net price of the Agreement for each working day of delay, up to a maximum of 10% of the total net price of the Agreement.

In order to establish the delay and the enforcement of the aforesaid penalties, Client does not need to send Supplier any prior notifications. The aforementioned penalties may be deducted by Client from any amount owed by such Client to the Supplier.

Payment of these penalties shall be made over and above any other compensation to which the Client may be entitled as a result of the breach or specific performance of the Agreement.

18. SUPPLIER LIABILITY IN THE PERFORMANCE OF THE AGREEMENT

Supplier undertakes the liability arising from damage to persons and assets occurring in the performance of the Agreement by the Supplier, its employees, agents and subcontractors, and the damage caused by its vehicles, machinery, tools and materials including indirect and cross damages and pure financial loss.

Should the Supplier be a Spanish Unión Temporal de Empresas (UTE) or any other entity without a legal personality different from that of their members, the liability under this Agreement shall be undertaken jointly and severally by all such members. Client may make claims under this Agreement to any of such members and/or the entity.

19. CONFLICT OF INTERESTS

Supplier will pay special attention and care to avoid any situations in which a conflict of interests in relation to the Client's interests could result. This obligation will particularly be applicable to direct or indirect relationships versus Client employees managers and directors and the family members thereof. Among other activities, Supplier will endeavour to prevent its employees and agents from doing, receiving or offering gifts, loans, payments of any description, excessive hospitality or any other activities which may exert an influence or be contrary to the best interests of the Client.

20. MATERIAL MEANS OF THE CLIENT

Any materials supplied by the Client in relation to the Agreement will be regarded as having been loaned for use by the Supplier, in compliance with the Agreement. The Supplier must identify this material as being the property of the Client in its books guarding them with most care.

When these materials are not used in the performance of the Agreement, such materials must be returned to the Client, using the method ordered by such Client and at the expense of the Supplier, or used in the manner instructed by the Client.

When required for the performance of the Agreement and at the Client's sole discretion, Supplier will be provided access to its computer systems and, as applicable, with an IP address, user, password, temporary access password (generated by a token), and other means required to access its computer systems with a suitable level of security.

Material means of the Client may not be used by Supplier for other purposes out of the Agreement.

21. SUBCONTRACTING

Save authorisation in writing by the Client, Supplier may not subcontract the execution of the Agreement, whether fully or partially.

In any event, companies with which Supplier subcontracts must commit in writing to compliance with all the provisions of the Agreement, with Supplier being jointly liable versus the Client for any breaches which such subcontractors may incur. Specifically, Supplier authorises Client to execute, as if it were the Supplier, the guarantees deposited by virtue of the Agreement in the event of any breaches of any obligations by subcontracted companies or persons.

22. OCCUPATIONAL HAZARD PREVENTION

Supplier will strictly fulfil and order compliance with general regulations on prevention of occupational hazards; specific Supplier regulations; and both general and specific regulations developed by the Client for its work sites, and also regulations arising from the coordination of prevention-related activities, in which there will be additional provision made for the rules of other employers working at the same worksite.

Before starting work, the Supplier will contact the Prevention Service of the Client for the purposes of coordinating activities and developing a risk assessment and planning of prevention activities for the work to be developed, in which the own activities of the Client will be taken into account (which Supplier states that it has received in these proceedings), in addition to the activities of the remaining employers at the same worksite, informing and training for these purposes employees who are executing the Agreement at the worksite and adopting all ordinary and/or extraordinary security measures and prevention actions which may be required.

Supplier will appoint a Security Manager of the work at the Client Work Site, who will undertake the Preventive Resource duties.

23. GOODS RECEPTION

The reception of the Goods is the express action of Client compliance with the qualities which are the purpose of the Agreement.

Reception of the Goods can only be carried out by the Procurement Body which may delegate this duty to the Client Manager and such reception may be partial, provisional or definitive.

Partial reception is defined as the reception which entitles, subject to the terms set forth in the Specific Conditions, to the payment of the relevant amounts for a specified period or for certain work units. Partial reception does not involve a judgement on the quality, attributes or quantity of the Goods.

Provisional reception is the reception granting an entitlement to a final settlement of the Agreement and in which the Client acknowledges its execution. Provisional reception does not entail an obligation to full payment of the Goods or the return or cancellation of the guarantees up until the term set forth for the above had elapsed, or until technical services had verified the appropriate purpose of the Agreement.

Definitive reception may solely take place when, following the elapse of the guarantee periods established, or following the terms in which actions of a public, private or employment-related nature may be exercised, there is a reasonable certainty that the Supplier is free from third-party claims.

The fact that definitive reception had taken place does not involve, under any circumstances, a waiver by the Client to exercise the actions against the Supplier when after the reception, there were events or circumstances which resulted in financial damage or damage of any other description, and these actions will only expire due to prescription [limitations] specially those arising out of hidden defects or third party claims.

24. SALES GUARANTEE

Supplier expressly accepts to treat the Client as a consumer, according to the Spanish regulations on consumers and users.

Irrespective of the above, Supplier warrants that the Goods will be new, of the best quality available, suitable for its intended use, in Agreement with the requirements agreed herein, and that it will be free from any defects or flaws and third-party claims for the guarantee period set forth in the Specific Conditions. The Goods will be delivered with all the necessary accessories for its performance, with instruction and maintenance books and other necessary documentation for its unpacking, installation and operation.

In the absence of an expressly stated guarantee period, such guarantee will last thirty-six (36) months from the delivery of the Goods, unless applicable regulations established a longer period, in which case the latter period would be applied.

Within the guarantee period, Supplier undertakes to remedy, at no expense to the Client and immediately after being notified thereon, any defect on the Goods either in quantity or in quality in relation to the requirements agreed herein without the need of any kind of procedure or formality apart from the notice by the Client.

The guarantee period will be interrupted for the time employed for the respective repairs or substitutions, which will at the same time be guaranteed, from the moment of termination thereof, for a period which is the same as the initial guarantee agreed.

In the event repairs were not possible or satisfactory, all of the above in the Client's opinion, Client may choose to do one of the following:

- a) Terminate the Agreement with the relevant reimbursement of the price.
- b) A replacement product at the Supplier's expense.
- c) A price reduction in proportion to the defects of the Goods.

In any of the scenarios stated above, Supplier will be responsible for all expenses occurring and Client shall be entitled to compensation for damages.

25. GUARANTEES OF COMPLIANCE WITH SUPPLIER'S OBLIGATIONS

In order to guarantee compliance on behalf of the Supplier of its contractual obligations in general, and specifically compliance with the obligations regarding employees assigned to the execution of the Agreement, the payment of Social Security or any other Social Security resources for which payment the Client could become jointly or jointly and severally liable; payment of fines imposed on the Supplier by the Authorities as a consequence of breaches of employment regulations for which the Client could become jointly or jointly and severally liable; in addition to liabilities which could arise for the Client with joint or joint and several liability as a result of the Supplier's breach of the welfare and employment-related obligations in a period preceding the date of the Agreement, Supplier, prior to executing the Agreement and as a *sine qua non* requirement for the execution thereof, must hand Client the joint and several and irrevocable bank guarantees, with the number of

such guarantees, the amount of such guarantees and the term thereof being those stated in the Specific Conditions. In the absence of a regulation in the form of Specific Conditions, the guarantee will amount to 25% of the annual sum of the Agreement and the duration will be up to three years following termination of the Agreement.

The aforesaid bank guarantees will be on first demand, autonomous and joint and several, and will be issued for the Client, expressly waiving the order, division and exclusion rights [set forth in the Spanish Civil Code] and any other exception which the Supplier or guarantor may be entitled to; in particular, they waive the right to ask the Client to extinguish any of its rights or to take any measures versus the Supplier.

Payment of the sum claimed shall be deposited at the bank account which Client stated in the term of five working days following the request from the Client stating that Supplier had failed to fulfil its contractual obligations.

The guarantee must allow partial enforcements.

The guarantor who should be a first rate financial institution and the wording of the guarantee must be previously approved by the Client. A model is attached as [Appendix A](#).

Furthermore, the Client may, at any time, withhold cash sums, due and payable to the Supplier to cover any damages and liability for which the Client may be declared jointly or jointly and severally liable, generated by the Client or by its employees.

Should the Client have grounds to suspect that the Supplier will not be able to honour obligations arising out of this Agreement or any other Agreement entered into with such Client, it may suspend compliance of the Agreement at any time unless the Supplier immediately handed over a bank guarantee or another type of guarantee which is acceptable for the Client. The Client will immediately notify the suspension stated, granting a reasonable term to the Supplier to hand over the guarantee.

26. COMPETITION

The Client may, at any time, inform the Supplier in writing on true offers from other Suppliers about the Goods at a price lower than the price payable by virtue of the Agreement. In this event, the Client and the Supplier will meet to discuss the situation within a term of thirty (30) days and if the Supplier agreed to offer new prices on this basis, and the Client accepted this offer, the new prices would be applied after the date of acceptance of the new offer by the Client. In the case that the Supplier

did not agree to offer new prices, the Client would be entitled to withdraw from the Supplier, when applicable, exclusivity in relation to other Suppliers or, when appropriate, to unilaterally terminate the Agreement with no entitlement to any compensation for Supplier.

27. NON-EXCLUSIVITY

Unless expressly agreed, the Agreement does not imply any kind of exclusiveness in the acquisition or supply of the Good.

28. THIRD-PARTY TECHNOLOGY IMPROVEMENTS

If the Client was aware of the existence of a possible alternative Supplier offering the Goods with a technology enhancement making such Good unique on the market targeted, the Client may ask Supplier to offer the Goods with the same features and prices. In the event that Supplier failed to fulfil these requirements within the term set forth by the Client, bearing in mind the description of the improvement, and having ascertained the existence of these Goods and the repercussions thereof, the Client may terminate the Agreement with no entitlement to any compensation for the Supplier.

29. PREFERRED CLIENT

When, during the term of the Agreement, the Supplier sells or supplies the Goods of a comparable quality to any third party at a more beneficial price than the price offered to the Client, the Supplier undertakes to make an adjustment of the price of the Agreement to match the more beneficial price granted to any third party. This adjustment will be applied to sales made to the Client for the period in which the more beneficial price had been granted to a third party.

30. COST REDUCTION

Any technical proposals from the Client intending to reach a cost reduction in the execution of the Agreement must be studied by the Supplier. The Supplier will deliver the Client a detailed study of the estimated reduction with the proposal. The Client is entitled to verify all details delivered by the Supplier. If it is agreed that the proposal is feasible and the Client attempted to implement such proposal, Supplier will apply the full cost reduction attained to the Client, irrespective of any other price reduction Agreements.

If the cost reduction proposal is made by the Supplier and it is accepted by the Client, the cost reduction achieved will be applied at a rate of fifty per cent (50%) to each party unless the specific circumstances of the reduction made an application differing from the fifty-fifty method fairer.

A technical proposal is defined as any variation affecting the materials and/or components making up the Good.

31. INSURANCE

The Supplier undertakes to procure at its own expense prior to the effective date of the Agreement and to maintain in force throughout such Agreement, the insurance policies set forth in the Specific Conditions.

In the absence of a specific condition, Supplier will take out the following insurance policies at its expense:

- 1) A policy covering losses or damages which may be suffered by materials and equipment used in the execution of the Agreement, with any damage suffered by such assets, equipment and materials remaining its full responsibility.
- 2) A General Civil Liability insurance policy, including coverage for the operation at the Client's facilities for the entire term of the Agreement, in addition to coverage for any damage which may be caused, whether by the Supplier itself or by its subcontractors, to persons or Goods of the Client and/or to third parties, arising from its actions in relation to the Agreement. The coverage will include cross civil liability indirect damage and pure financial loss.
- 3) A product civil liability insurance policy, a professional civil liability policy, and post-work civil liability policy guaranteeing the Goods. These policies must cover claims for material and personal damages and financial loss, including indirect loss and pure financial loss, which may be caused to the Client or to third parties as a result of a defect or malfunction of the Good caused by the Supplier and/or its subcontractors. The duration of this coverage will be established in the Specific Conditions and, in the absence thereof, it will be extended to cover the entire Agreement guarantee period.
- 4) A Employer Civil liability policy to cover own staff accidents and subcontractor staff accidents, with a sub-limit per victim which is not lower than the sum specified in the Specific Conditions and, in the absence thereof, the amount which may be reasonably required by

the Client depending on the specific circumstances of the Agreement.

- 5) Any other mandatory insurance policies required by the Law or by Collective Bargaining Agreements, in particular, policies concerning civil liability of cars, airplanes and vessels, and personal life insurance and accident insurance for all employees taking part. In any event, all vehicles used for the performance of the work will have the relevant mandatory insurance policies.

All insurance policies described in the sections above must be taken out with insurance companies of recognised solvency, which are acceptable for the Client who should be named as additional insured party.

Furthermore, all insurance policies described must cover possible claims arising from events occurring during the life of the Agreement, and claims made over the two (2) years following the termination of such Agreement.

Supplier must hand Client - prior to the date of entry into force of the Agreement or the date which, in the absence of such date, is stated in the Specific Conditions - a certificate issued by the insurance policy for each of the insurance policies described in the foregoing and a copy of such policies. The certificate must describe a validity period, the coverage taken out, and the limits and, when applicable, the sub-limits, and the premium payments must be up-to-date.

Supplier undertakes to inform Client during the execution of the Agreement regarding any incidents affecting the validity and terms of the insurance policies taken out which are described in the sections above and offers to cooperate with the Client or with the person appointed by such Client for the study and analysis thereof.

In the event of a claim, any controversies surrounding the payment of compensation, whether based on the application of franchises, lack of coverage or any other reason, in relation to the insurance policies taken out by Supplier will be borne by the Supplier.

Coverage limits of the aforementioned policies will not be lower than the sums stated in the Specific Conditions and, in the absence thereof, the amounts which may be reasonably demanded by the Client depending on the specific circumstances of the Good, with the minimum applicable rates for general and employer civil liability policies being the following: Four hundred and fifty thousand euro (450,000) maximum per loss and one hundred and eighty thousand euro (180,000) as a sub-limit per victim.

The Supplier, under its sole responsibility, will ask its subcontractors to maintain the same policy of liabilities and insurance policies required by the Client. Notwithstanding the above, this will never exempt the Supplier from its full liability versus the Client.

All these policies will serve as primary policies and always in the first instance versus any other policies which may be applicable.

Notwithstanding mandatory policies reflected in the abovementioned sections, Supplier may, at its expense, undersign the insurance policies which it deems fit to cover the liabilities which may arise as a consequence of the execution of the Agreement.

The Supplier may not use the policies undersigned as a pretext to fail to comply with a liability which it is responsible for, due to the application by its insurers of policy provisions making such policies void.

The above policies should include an exemption of the responsibility of the Client, its employees, managers and directors and the waiver by the insurance company of its rights against them.

32. SUSPENSION

The Client reserves the right to suspend totally or partially the execution of the Agreement at any time. The suspension shall be effective from the date on which it is notified in writing to the Supplier, and the Supplier undertakes to temporarily suspend the execution of the Agreement from the moment at which such notification is received.

If the suspension of the performance of the Agreement was due to causes different from force majeure, strike or reduction of the Client's activity or a breach or non-compliance by the Supplier, the latter would be entitled to ask Client to reimburse additional real and duly proven expenses arising as a direct consequence of this suspension. In this case, if the suspension of the execution of the Agreement exceeded a term of two (2) months, the parties will meet at the earliest opportunity to examine the contractual incidents relating to the price, the terms and the subsequent resumption of the performance of the Agreement.

If the suspension of the performance of the Agreement was due to causes outside the Client's control, the Supplier will not be entitled to any compensation whatsoever.

The resumption of the execution of the Agreement must be notified in writing by the Client to Supplier who will not be entitled to deny the resumption requested.

33. CONFIDENTIALITY AND DATA PROTECTION.

Confidential Information includes the Agreement and any financial information, information on sales or any other information, provided by the parties as a result of the Agreement or in order to enter into such Agreement and any personal details, documents and/or information stored by one party to which the other party accesses during the life of the Agreement.

Unless Client approves in writing, Supplier may not use Client's name nor publish in any way the existence of the Agreement.

The following will not be regarded as Confidential Information:

- a) Information in the public domain, or which may be in the public domain without the infringement of current legislation in force or this clause.
- b) Information which one party reported or delivered to the other expressly stating that such information is not the subject of the obligations contained in this clause.

Each party agrees indefinitely to treat as strictly confidential and with utmost secrecy any Confidential Information, undertaking to not disseminate such information, or publish such information or make such information available to third parties using any other method, whether directly or indirectly, without the prior consent in writing from the other party.

Specifically, the parties undertake regarding the Confidential Information:

- a) To process such information solely in compliance with the instructions of the owner, undertaking not to apply the information or to use it for purposes other than the purpose set forth in the Agreement.
- b) Not to reveal the information to third parties without the express consent of the owner in writing.
- c) Not to copy, modify or amend the information, or establish connections, or associations of such information with computer or electronic systems.

- d) To solely and exclusively preserve the Confidential Information which is necessary and essential for the performance of the Agreement and to destroy or return such information to the owner upon termination thereof, together with any media or documents in which such information is recorded.
- e) To guard the Confidential Information in a safe environment applying the resources needed for its protection. Supplier shall apply to the personal data held by the Client the safeguard measures established in the Spanish personal data protection regulation for the level of security mentioned in the Specific Conditions and if there is no such mention the high level of security.

Each party will adopt the necessary measures to ensure that all its staff, whether directly or indirectly related to the performance of the Agreement complies strictly with this duty of confidentiality, with each party being directly liable for any non-compliance.

34. BREACH OF OBLIGATIONS

Unless otherwise specified herein, breaches of the primary obligations of one of the parties shall entitle the counter party to choose specific performance or to serve notice of termination, and in both cases there will be a compensation for any damages caused.

Breach of a secondary obligation will entitle the party-in-compliance to choose between specific performance, including compensation for any damages caused or just the compensation alone.

Primary obligations include among others, those concerning quantity, quality and in general sales guarantee of the Goods; terms and conditions of delivery or fulfilment of the Supplier's obligations; fulfilment of the labor and social security obligations of the Supplier and specially those under section D hereunder; licences, permits and environment; subcontracting; guarantees of compliance; insurance; confidentiality and data protection; and assignment.

35. OFFSETTING

Any of the companies which are part of or may become part of the Acerinox Group may deduct or offset any amounts owed to the Supplier by any of such companies against any amount which the Supplier owed to any of the former.

36. FORCE MAJEURE

The parties will not be liable for breaches as a result of force majeure events. Force majeure events will not be regarded as contractual breaches caused as a result of third-party actions.

When a force majeure event occurred, the affected party will take the necessary measures to mitigate the effects thereof and will inform the other party describing the effects and the initial actions taken. The time extension will equate the duration of the impossibility caused by the event.

Following an Agreement on the actions to be taken and if the force majeure situation lasted longer than sixty (60) days from the moment at which it was reported, the parties may terminate the Agreement either fully or partially, following the failure of all joint efforts made by the Supplier and the Client to solve the problem.

For the duration of the force majeure situation, the Client may adopt the measures deemed appropriate to avoid the damages caused by the Supplier's inability to comply with its obligations.

37. COMMUNICATIONS AND LANGUAGE

Any notifications which must or may be sent hereunder, must be sent in writing and sent using any method allowing a record of the date, contents and confirmation of receipt by the recipient to be made; notifications will be addressed to the persons or the contact Department and sent to the places stated in the Agreement or to the places stated in the Agreement or notified by the parties.

Communications and other Agreement documents will be drafted in the language of the Agreement with the exception of documents expressly excluded following a mutual Agreement reached by the parties.

38. ASSIGNMENT

Assignment of the rights and obligations arising out of this Agreement, including merely financial rights and obligations, will require the prior express consent in writing of the other party.

Notwithstanding the above, the Supplier declares that it is aware of and accepts that the Good may be used by all the companies which are part of the Client Group, whether now or in future. Supplier thus accepts

that any of said companies is the owner versus itself of the rights and actions granted to the Client in the Agreement.

39. NO WAIVER

The waiver, whether express or alleged of any of the parties, at a given time, to any of the rights set forth in the Agreement will not involve a waiver of the right to exercise that same right at another time or to exercise any of the other rights set forth in the Agreement.

Failure of either Party to exercise any claims against the infringement or non-compliance with the Agreement by the other will not involve, under any circumstances, a waiver to any action or to any other right which it may be entitled to in accordance with the clauses of this Agreement.

40. SEVERABILITY AND INTERPRETATION

If any of the clauses and/or conditions of the Agreement was void or voidable, this cancellation would not void the rest of the Agreement which would remain in full force and effect. In the place of the void clause it will be construed that a valid clause had been agreed, with the financial terms thereof being as close as possible to the clause intended by the parties.

The heading and titles of these General Terms and Conditions are solely entered for reference purposes, and they therefore lack any effects for the interpretation of the provisions contained therein.

41. APPLICABLE LAW

The Agreement will be governed by the legislation of the address stated for the Client in the Agreement.

42. JURISDICTION

Both parties agree to submit to the decisions of the Courts and tribunals of the address stated for the Client in this Agreement for the solution of any litigation arising out of the interpretation and execution of the Agreement, expressly waiving any other jurisdiction to which they may be entitled.

D. GENERAL TERMS AND CONDITIONS APPLICABLE TO ALL THE TRANSFER OF STAFF TO THE CLIENT SITES OR FOR ORGANISATIONS CLASSIFIED AS CONTRACTORS UNDER SPANISH EMPLOYMENT LAWS

1. PROOF OF COMPLIANCE WITH SOCIAL SECURITY AND TAXATION OBLIGATIONS

At the time the bid is submitted, Supplier must attach the following documents:

- 1) Registration of the Supplier for Business Tax purposes and, in the event of payment of an annual levy, proof of payment of the deposit of such amount.
- 2) A certificate proving that there are no overdrafts, issued by the Spanish General Social Security Treasury for the purpose of Art. 42 of the Workers' Charter.
- 3) A certificate issued by the Spanish Taxation Agency for the purposes of Art. 43 of Spanish Law 58/2003, of December 17, on General Taxation Affairs, stating that Supplier is up-to-date with its taxation obligations.

It is material for the Client paying Supplier the invoices, that it is up-to-date with its taxation obligations, salary payments and with its Social Security payments, in relation to the staff subject to the Agreement and this will be proven with the monthly provisions of documents and the proof that the circumstances described below have been fulfilled:

- 1) A copy of the Spanish Social Security contribution documents (TC1 and TC2), duly signed by the bank organisation where the payment was made for the last month paid, that is, for the month preceding the month for the documents handed over. In addition, it must furnish a certificate issued by the bank organisation proving the payment of the monthly Social Security payments which have been definitively debited, without cancellation, and duly transferred to the General Social Security Treasury, filling out the attached model ([Appendix B](#)); furthermore, a certificate issued by the General Social Security Treasury will also be provided to confirm that there are no overdrafts for the purposes of Article 42 of the Workers' Charter.
- 2) A copy of bank documents proving payment of the salaries of staff assigned to the Agreement.

- 3) The Certificate issued by the Taxation Agency for the purposes of Art. 43 of Law 58/2003, of December 17, on General Taxation Affairs, must be in force and Supplier will send a copy of said Certificate every year.
- 4) An incorrect payment of social security contributions and/or settlements of salary obligations will not have been drawn to Client's attention.

In the event that Supplier failed to prove to Client, with the aforesaid documents, compliance with the aforementioned taxation and/or social welfare obligations, and/or the Client had detected incorrect contributions and/or non-compliance with salary obligations by the Supplier, the Client would be entitled to retain the amounts due up until the presentation thereof and, in the case of failure to pay salaries and/or Social Security contributions, to make a payment on Supplier's behalf charged from the amounts withheld and/or obtained from the enforcement of Agreement guarantees.

At any time during the life of the Agreement, Supplier undertakes to provide, in addition to the documents stated in the sections above, other documents related to the Agreement and, in particular, documents which may affect liabilities versus third parties, the Tax Agency, Social Security, Payrolls, etc., guaranteeing the confidentiality of personal data at all times and other details under the terms set forth in current legislation in force.

Upon termination of the Agreement for any reason, Supplier must furnish the Client with the following documents:

- 1) A list of staff assigned to the execution of the Agreement together with the receipt of payment by the operatives of the final settlements of salary and extra-salary payments. These documents will be furnished by Supplier to the Client within a term not exceeding ten (10) working days from the date of termination of the Agreement.
- 2) A photocopy of the contribution documents (TC1 and TC2), stamped by the bank where the payment of the last month of validity of the Agreement was made; a bank certificate proving payment ([Appendix B](#)); and a certificate stating that the Supplier has no debts, issued by the General Social Security Treasury for the purposes set forth in Art. 42 of the Workers' Charter.

These documents and a Certificate from the General Social Security Treasury must be sent to the Client within a maximum term of thirty (30) calendar days from the date of termination of the Agreement, and again four (4) months following the termination of the Agreement.

2. SUPPLIER INFORMATION OBLIGATIONS

Prior to the execution of the Agreement, Supplier will inform the employees which are part of the performance of such Agreement, on the identity of the Client (registered name, address and Tax ID).

It will additionally inform their legal representatives on the purpose and duration of the Agreement, the place of execution, number of assigned employees, and, when applicable, on the measures planned for the organisation of activities relating to the prevention of occupational hazards.

Supplier will hand Client a list of the employees who will be executing the Agreement, stating their names, IDs, professional category, qualification, length of service at the Supplier's company, type of Agreement linking the employees to the Supplier, annual salary, and an express statement from Supplier that it is up-to-date with salary obligations and Social Security payments in relation to such employees. Any amendment of this list must be notified in writing to the Client (Manager in charge of the work) at least two (2) days prior to the entry into effect of such list.

Subsequent staff-related amendments must be reported to the Client Manager at least two (2) days prior to the moment at which the employee is set to be replaced. The inclusion of new employees will require the abovementioned details to be filled out in relation to such employees.

Any amendments of the number of Supplier employees or any replacement of one employee for another must be expressly approved by the Client Manager.

3. THEFT AND DAMAGE AT CLIENT FACILITIES

Client will not be held liable for theft and damage, whether material or personal, sustained or suffered by the Supplier of the employees assigned to the performance of the Agreement at the Client's facilities.

4. WASTE

The withdrawal and deposit in authorised landfill of the waste produced by the Suppliers activity in the Clients facilities will be for the account of the Supplier.

APPENDIX A

Model Bank Guarantee

Guarantee No.:

Date:

Principal: *(Supplier name and address)*

Beneficiary: *(Client name and address)*

Guarantor: *(Guarantor Bank name and address)*

Total amount guaranteed: *(amount)*

Expiry date: *(up to three years after the termination of the Agreement)*

(Bank or Savings Bank), with address for notification and communication purposes in [town/city], at, Post/Zip Code, and for and on behalf of such company Mr/Ms, with ID,..... and Mr/Ms, with ID, with due powers of attorney to grant this document according to the powers granted before the Notaries Mr/Ms dated, with record number/s, allowing them to enter into this Agreement in these proceedings.

We have been informed that *(name of the Supplier)* (hereinafter, the "principal") has entered into an Agreement with *(name of Client)*, (hereinafter, "the beneficiary") contract no. /, dated for work relating to It is our understanding that in compliance with the provisions of the aforementioned Agreement it is necessary to provide this first demand guarantee amounting to € , as collateral to fulfil the obligations set forth therein.

As a consequence of the above, with this document we undertake, jointly and severally with the principal, and unconditionally and irrevocably, to pay the beneficiary on demand any amount up to a maximum sum of €, and to deposit such amount in the bank account instructed by such beneficiary, within a term of five working days from the receipt of the first notice in writing from the beneficiary stating that the principal has failed to meet its contractual obligations.

This guarantee shall be effective fromuntil.....

This guarantee may be executed partially up to the maximum guaranteed amount, and remain in force for the remaining amount.

The guarantor expressly waives the benefits of excusion (excusión), order (orden) and division (división) [set forth in the Spanish Civil Code] and any other right that it may be entitled to in relation to challenging the payment of this guarantee versus the beneficiary and to ask the beneficiary to exhaust any of its rights or to bring any legal actions against the principal.

The Court of will be the only with jurisdiction to hear any controversy relating to the interpretation and application of this guarantee.

Signed by:

APPENDIX B

Model bank certificate proving payment of Social Security contributions

Mr/Ms, with ID no., in his/her capacity of Manager of the Bank Branch, located at,

HEREBY CERTIFIES THAT:

Whereas on [month] [day] 20...., the Company, with TAX ID, and with Social Security Account Number, has paid the social security contributions for the months of 20...., amounting to, according to the TC-1 forms with nos., following a debit made to account no. which the aforesaid Company has opened at this Bank.

Said amount has been definitively debited with no cancellation and transferred to the General Treasury of the Social Security.

This Certificate is issued following the request of the party concerned in, on [month] day, two thousand and

Signed and stamped.