

General Terms & Conditions of Sale and Warranty

1. DEFINITIONS:

- 1.1 **"Buyer"** means the entity to which Seller is providing Products under the Contract.
- 1.2 **"Contract"** means either the purchase order signed by Buyer and accepted by Seller in writing, or the contract agreement signed by both parties, for the sale of Products, together with these Terms and Conditions, Seller's final quotation, and Seller's order acknowledgement.
- 1.3 **"Contract Price"** means the agreed price stated in the Contract for the sale of Products, including adjustments (if any) in accordance with the Contract.
- 1.4 **"Insolvent/Bankrupt"** means that a party is insolvent, makes an assignment for the benefit of its creditors, has a receiver or trustee appointed for it or any of its assets, or files or has filed against it a proceeding under any bankruptcy, insolvency dissolution or liquidation laws.
- 1.5 **"Products"** mean the equipment, parts, materials, supplies, software, and other goods Seller has agreed to supply to Buyer under the Contract.
- 1.6 **"Standard Products"** mean Products included in price lists and catalogues of Seller.
- 1.7 **"Standard Products in Stock"** mean Standard Products available in stock and without minimum order amount required by Seller.
- 1.8 **"Non-Standard Products"** means Products not included in price lists and catalogues of Seller, and tailor made for Buyer.
- 1.9 **"Seller"** means Sistema Azud, S.A, addressed in Poligono Industrial Oeste, Avenida de las Americas, P 6/6 in Alcantarilla (Murcia), Spain, or the entity providing Products under the Contract.
- 1.10 **"Terms and Conditions"** mean these "Terms and Conditions for Sale of Products", including any relevant addenda, together with any modifications or additional provisions specifically stated in Seller's final quotation or specifically agreed upon by Seller in writing.

2.- ACCEPTANCE:

- 2.1 Acceptance of the purchase order by the Buyer and/or signing of the contractual agreement between the parties shall constitute Buyer's assent to these Terms and Conditions. Sale of any Products shall constitute Buyer's assent to these Terms and Conditions.
- 2.2 Any acceptance of Seller's offer is expressly limited to acceptance of these Terms and Conditions and Seller expressly objects to any additional or different terms proposed by Buyer.
- 2.3 No facility entry form shall modify these Terms and Conditions even if signed by Seller's representative.
- 2.4 Unless otherwise specified in the quotation, Seller's quotation shall expire 30 days from its date and may be modified or withdrawn by Seller before receipt of Buyer's conforming acceptance. Civil works, trenching, electrical system and physical or chemical treatment of water are not included in Seller's quotation.

3. CANCELLATION:

- 3.1 No purchase order or Contract accepted by Buyer may be cancelled unless accepted in writing by Seller.
- 3.2 Cancellation of purchase orders or Contracts for Standard Products; cancellation shall be accepted by Seller before the shipment of the Products to Buyer. Buyer shall pay to Seller the following expenses:

Expenses	
0%	Non manufactured goods
Up to 20%	Goods in manufacturing process
Up to 50%	Manufactured goods

- 3.3 Cancellation of purchase orders or Contracts for Standard Products in Stock; cancellation shall be accepted by Seller before the shipment of the Products to the Buyer. If the amount to be cancelled is minor or equal to ten thousand euros (10.000 €), cancellation shall be without any expenses for Buyer. If the amount to be cancelled is more than ten thousand euros (10.000 €), Buyer shall pay to Seller the following expenses:

Expenses	
0%	Non manufactured goods
Up to 20%	Goods in manufacturing process
Up to 50%	Manufactured goods

- 3.4 Cancellation of purchase orders or Contracts for Non Standard Products; cancellation shall be at sole discretion of Seller. Buyer shall pay to Seller the following expenses:

Expenses	
Up to 25%	Before the beginning of manufacturing process of the goods or the purchase of goods by Seller
Up to 50%	After the beginning of manufacturing process of the goods or the purchase of goods by Seller
Up to 100%	After goods are manufactured and ready to be delivered to Buyer

- 3.5 Expenses percentages under Sections 3.2,3.3, and 3.4 shall be decided by Seller, and calculated on the total amount of the purchase order or Contract.

- 3.6 Seller on a unilaterally basis and without previous communication, shall cancel any purchase order or Contract, when the Products are not picked up by Buyer within three (3) months from the shipment/delivery date agreed. Buyer shall pay to Seller expenses under Sections 3.2, 3.3, and 3.4.

4. PRICES AND PAYMENT:

- 4.1 Prices shall always be understood to be "Ex Works" EXW, packaging included.
- 4.2 Seller reserves the right of change prices at any time, without notice and without updating published material on Buyer's website or in print.
- 4.3 Buyer shall pay Seller for the Products amounts in Euros € in accordance with the payment schedule in the Contract.
- 4.4 For each calendar month that payment is late, Buyer shall pay a late payment charge computed at the rate of two (2) percent per month from the due date over the pending amount.
- 4.5 As and if requested by Seller, Buyer shall at its expense establish and keep in force payment security in the form of an irrevocable, unconditional, sight letter of credit or bank guarantee allowing for pro-rata payments as Products are shipped, plus payment of cancellation and termination charges, and all other amounts due from Buyer under the Contract ("Payment Security"). The Payment Security shall be in a form confirmed and accepted by Seller.
- 4.6 Seller is not required to commence or continue its performance unless and until any required Payment Security is received, operative and in effect and all applicable progress payments have been received. For each day of delay in receiving progress payments or acceptable Payment Security, Seller shall be entitled to a matching extension of the delivery schedule.
- 4.7 If at any time Seller reasonably determines that Buyer's financial condition or payment history does not justify continuation of Seller's performance, Seller shall be entitled to require full or partial payment in advance or otherwise restructure payments, request additional forms of Payment Security, suspend its performance or terminate the Contract.

5. TAXES AND DUTIES:

Buyer shall be responsible for all taxes, duties, fees, or other charges of any nature in relation to the Contract other than Seller's taxes, duties or charges expressly accepted by written by Seller.

6. DELIVERIES:

- 6.1 Seller shall deliver Products to Buyer EXW Seller's facility or warehouse Alcantarilla (Murcia), Spain (Incoterms 2020).
- 6.2 If Products delivered do not correspond in quantity, type or price to those itemized in the shipping invoice or documentation, Buyer shall so notify Seller within ten (10) days after receipt. No returns of Products will be accepted, unless accepted in writing by Seller.
- 6.3 Delivery times shall be a guide only and not binding for the Seller. Seller's sole liability for any delay in the delivery of the Products shall be as expressly set out in these Terms and Conditions.
- 6.4 Failure by Seller to meet the delivery date shall not entitle Buyer to cancel the Contract. Buyer waives the exercise to bring any legal actions to which might be entitled for delays due to excusable events in accordance to Section 9, or circumstances beyond Seller's control.

7. RETURNS:

- 7.1 No returns of Products may be accepted unless in writing by Seller.
- 7.2 Request to return Products must be made by Buyer in a maximum period of fifteen (15) days after the delivery of the Products to Buyer, and with the return form available in www.azud.com/en/return-request, duly completed by the Buyer. Any accepted return must be accompanied by a return authorization (RGA) issued by Seller, clearly marked on the exterior of the parcel, and shipped freight prepaid by Buyer within thirty (30) days of the RGA issue date.
- 7.3 All Products must be new, in original packaging, and in salable condition. The intent to return the Products does not relieve Buyer of the obligation to pay for the Products under the terms of the Contract. Any return of Products not meeting criteria under Sections 7.2 and 7.3 shall not be accepted by Seller.
- 7.4 Any return of Products accepted by Seller shall have expenses up to fifty (50) percent of the price of the Products. Expenses amount shall be decided by Seller and discounted from the amount to be reimbursed to Buyer.
- 7.5 For returns of Products accepted by Seller, although not meeting the criteria under Sections 7.2 and 7.3, Seller shall discount from the reimbursement amount, twenty-five (25) percent of the price of the Products, and additionally to expenses under Section 7.4.

8. TITLE AND RISK OF LOSS:

- 8.1 The title and risk of loss of the Products shall pass to Buyer upon delivery in accordance with Section 6.1. Notwithstanding the above, title to the Products and Services shall remain in Seller until the full Contract price for the Products and/or Services has been paid.
- 8.2 If any Products to be delivered under this Contract or if any Buyer equipment repaired at Seller's facilities cannot be shipped to or received by Buyer when ready due to any cause attributable to Buyer or its other contractors, Seller may ship the Products and equipment to a storage facility, including storage at the place of manufacture or repair, or to an agreed freight forwarder. If Seller places Products or equipment into storage, the following apply: (i) title and risk of loss immediately pass to Buyer, if they have not already passed, and delivery



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shall be deemed to have occurred; (ii) any amounts otherwise payable to Seller upon delivery or shipment shall be due; (iii) all expenses and charges incurred by Seller related to the storage shall be payable by Buyer upon submission of Seller's invoices; and (iv) when conditions permit and upon payment of all amounts due, Seller shall make Products and repaired equipment available to Buyer for delivery.

9. LIMITED WARRANTIES:

- 9.1 Seller warrants that Products shall be delivered free from defects in material and workmanship and in accordance with any mutually agreed specifications.
- 9.2 The warranty for Products shall expire one (1) year from the shipment date of the Products, except as to products listed in Section 9.9. After the expiration of this (1) year period, Seller shall no longer accept warranty claims and all obligations for warranty shall terminate.
- 9.3 If Products or Services do not meet the above warranties, Seller, at its option, shall repair or replace defective Products, sole and exclusively when Buyer notifies Seller in a maximum period of thirty (30) days after having notice of the defect or anomaly. Warranty repair, replacement or re-performance by Seller shall not extend or renew the applicable warranty period.
- 9.4 Buyer shall obtain Seller's agreement on the specifications of any tests Buyer plans to conduct to determine whether a non-conformance exists. Seller will be allowed to examine the defects claimed by Buyer by the most appropriate means. Buyer shall not obstruct people authorized by Seller for verifying the non-conformance.
- 9.5 This warranty will not cover (a) any defects and/or malfunction in the Products that result from the installation, storage, installation, use, operation and maintenance made by the Buyer or third persons (b) any defects and/or malfunction in the Products that result from use and/or installation of the Products non complying with Seller's specifications or instructions for the recommended purpose (c) any defects and/or malfunction in the Products that result from use of the Products not in accordance with the purpose provided by Seller (d) any defects and/or malfunction in the Products that result from misuse, and/or negligence by Buyer, as well as result from alteration, tampering, and/or use in conjunction with parts, products, or service which have not been approved by Seller (e) any defects and/or malfunction in the Products that result from improper installation or improper maintenance of the Products, or any use nor in accordance with the applicable user manual provided by Seller (f) any defects and/or malfunction in the Products that result from influent water which do not comply with agreed parameters and/or indicated by Buyer and used for the design of the Product, and/or any defects and/or malfunction of the Products that result from influent water containing any substances/elements/components not known or noticed to the Seller before the elaboration of the technical offer (g) any defects and/or malfunction in the Products that result from use or application (externally or internally) of chemical concentrates to the Products and cause harm to the Products or its components (h) any defects and/or malfunction in the Products that result from the use of consumables not authorized by Seller in writing (i) any defects and/or malfunction in the Products caused by operation conditions recommended by Seller, in a enunciating but no limiting way, those caused by higher pressure, water quality, electrical voltage, or by exposure to aggressive environments (saline, acid and others) (j) Products which have been repaired or modified by Buyer or by non-authorized person by Seller, and/or Products which have been repaired or modified without following the instructions given by Seller (k) any damages caused by the installation and operation of the Products in places or environments in which the conditions do not allow the optimal performance of the Products (l) normal wear and tear of Products (m) consumables for the operation of the Products (n) any loss, personal injury, damage in property caused by the installation, storage, use, operation and maintenance of Products by Buyer or third parties (o) any damages or defects in systems or equipment where Products are integrated or incorporated in the event of malfunction (p) any damages or defects that result from fortuitous facts and force majeure (according to Section 10) (q) any damages caused by operation conditions different from those recommended by Seller. For the range of irrigation Products, in addition to the before said exceptions, this warranty will not cover (a) any defects and/or malfunction in the Products, any damages, plugging or clogging, that result from amphibious, ants, insects, rodents, animals, and/or external elements (b) any defects and/or malfunction in the Products that result from obstructions of drippers non-attributable to a manufacturing defect (c) any defect and/or malfunction in the Products that result from decantation, precipitations, agglutination of bacteria, fungus o algae, clay, loam, silt in suspension, and/or chemical precipitation (d) any defects and/or malfunction in the Products that result from the non-installation of a pre-filter and from electric and/or hydraulic events (e) any defects and/or malfunction in the Products that result from irrigation water not filtered or treated to the levels/limits specified by Seller.
- 9.6 Buyer shall bear the costs of access for Seller's remedial warranty efforts (including removal and replacement of systems, structures or other parts of Buyer's facility), de-installation, decontamination, and re-installation.
- 9.7 This warranty will only cover Products, materials and components which have been manufactured by Seller, even though such products may be used in conjunction with Seller's Products. This warranty is not a consumer or final users warranty and does not extend to anyone others than those trade customers who directly purchase from Seller.
- 9.8 This Section 9 provides the exclusive remedies for all claims based on failure of or defect in Products, regardless of when the failure or defect arises, and whether a claim, however described, is based on contract, warranty, indemnity, tort/extra-contractual liability (including negligence), strict liability or otherwise. The warranties provided in this Section 9 are exclusive and are in lieu of all

other warranties, conditions and guarantees whether written, oral, implied or statutory, including any warranty of merchantability or of fitness for a particular purpose. Seller shall not accept other warranty from expressed herein.

- 9.9 Warranty for Products listed herein shall expire once the following terms have expired (from the shipment date of the Products):

Product	Term
AZUD PREMIER	6 years
AZUD GENIUN TD	3 years
AZUD GENIUN MD	4 years
AZUD GENIUN HD	5 years
AZUD PRO	5 years
AZUD SEDAN	4 years
AZUD SPRINT thickness 0,15 mm	6 months
AZUD SPRINT thickness 0,20 mm, 0,25 mm, 0,30 mm	1 year
AZUD DRIP	5 years
AZUD TUB	7 years
AZUD TUB MICROTUBE	7 years
AZUD NAVIA	3 years
AZUD NAVIA ASSEMBLIES	2 years
AZUD FIT PLUS	5 years
AZUD GREENTEC plain pipe	7 years
AZUD GREENTEC non-pressure-compensating dripline	5 years
AZUD HELIX SYSTEM	10 years
AZUD MODULAR 300	3 years
AZUD MODULAR 100	3 years
AZUD AGL	3 years
AZUD SPIRAL CLEAN	3 years
AZUD HELIX AUTOMATIC	5 years
AZUD HELIX AUTOMATIC FT	5 years
AZUD GRAVITY	5 years
AZUD QGROW*	5 years
AZUD FLUXAR	2 years
AZUD META	2 years
AZUD VORA	3 years
All products not included in this table	1 year

*Fertilizer pump: 2 years; Controller, probes, and other electrical and electronic equipment: 1 year

10. FORCE MAJEURE:

- 10.1 Seller shall not be liable or considered in breach of its obligations under this Contract to the extent that Seller's performance is delayed or prevented, directly or indirectly, by any cause beyond its reasonable control, or by armed conflict, natural calamities, storms, temperatures, flooding, snow, landslides, fire, hailstorm, lightning, earthquakes, acts or threats of terrorism, epidemics, strikes or other labor disturbances, or acts or omissions of any governmental authority or of the Buyer or Buyer's contractors or suppliers, or acts or omissions of any supplier of the Seller, alteration of the Seller's manufacturing process by any reason, malfunction of the manufacturing/assembly/production process machinery and/or tools by any reason, validation and testing of the Products by the Seller, failure of energy o water supply, electrical o power failures, outages or power surges or electrical spikes etc.
- 10.2 If an excusable event occurs, the schedule for Seller's performance shall be extended by the amount of time lost by reason of the event plus such additional time as may be needed to overcome the effect of the event.

11. TERMINATION AND SUSPENSION:

- 11.1 Seller may terminate or suspend the Contract (or the portion affected) for cause if Buyer (i) becomes Insolvent/Bankrupt, or (ii) commits a material breach of the Contract , including but not limited, failure or delay in Buyer providing Payment Security , making any payment when due, or fulfilling any payment conditions.
- 11.2 If the Contract (or any affected portion thereof) is terminated for reasons in Section 9) lasting longer than one hundred and twenty (120) days. In such case, Buyer shall pay to Seller amounts payable under Section 10.2.
- 11.3 Either Buyer or Seller may terminate the Contract (or the portion affected) upon twenty (20) days advance notice if there is an excusable event (as described in Section 9) lasting longer than one hundred and twenty (120) days. In such case, Buyer shall pay to Seller amounts payable under Section 10.2.
- 11.4 Buyer shall pay all reasonable expenses incurred by Seller in connection with a suspension. The schedule for Seller's obligations shall be extended for a period of time reasonably necessary to overcome the effects of any suspension.



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12. INDEMNITY:

Each of Buyer and Seller (as an "Indemnifying Party") shall indemnify the other party (as an "Indemnified Party") from and against claims brought by a third party, on account of personal injury or damage to the third party's tangible property, to the extent caused by the negligence of the Indemnifying Party in connection with this Contract. For purposes of Seller's indemnity obligation, no part of the Products or places where Products are used is considered third party property.

13. COMPLIANCE WITH LAWS:

- 13.1 Buyer shall comply with laws applicable to the application, operation, use and disposal of the Products.
- 13.2 Seller's obligations are conditioned upon Buyer's compliance with all applicable trade control laws and regulations. Buyer shall not trans-ship, re-export, divert or direct Products other than in and to the ultimate country of destination declared by Buyer and specified as the country of ultimate destination on Seller's invoice.
- 13.3 Notwithstanding any other provision, Buyer shall timely obtain, effectuate and maintain in force any required permit, license, exemption, filing, registration and other authorization, for the sale of Products.

14. LIMITATION OF LIABILITY:

- 14.1 The total liability of Seller for all claims of any kind arising from or related to the formation, performance or breach of this Contract, or any Products, shall not exceed the (i) Contract Price, or (ii) if Buyer places multiple order(s) under the Contract, the price of each particular order for all claims arising from or related to that order and ten thousand Euros (€ 10,000) for all claims not part of any particular order.
- 14.2 Seller shall not be liable for loss of profit or revenues, loss of use of equipment or systems, interruption of business, cost of replacement power, cost of capital, downtime costs, increased operating costs, any special, consequential, incidental, indirect, or punitive damages, or claims of Buyer's customers.
- 14.3 All Seller liability shall end upon expiration of the applicable warranty period, provided that Buyer may continue to enforce a claim for which it has given notice prior to that date by commencing an action or arbitration, as applicable under this Contract, before expiration of any statute of limitations or other legal time limitation but in no event later than one year after expiration of such

warranty period.

15. GENERAL CLAUSES:

- 15.1 Products sold by Seller are not intended for use in connection with any other activity than those specified in the Contract and Buyer warrants that it shall not use or permit others to use Products for other purposes, without the advance written consent of Seller. If, in breach of this, any such use occurs, disclaims all liability for any damage, injury, expenses or contamination, and, in addition Buyer shall indemnify and hold Seller harmless against all such liability.
- 15.2 The following Sections shall survive termination or cancellation of the Contract: 4,5,6,7, 8, 9, 10,11,12,13,14 and 15.
- 15.3 No modification, amendment, rescission, or waiver shall be binding on either party unless agreed in writing.

16.- GOVERNING LAW AND DISPUTE RESOLUTION:

- 16.1 This Contract shall be governed by and construed in accordance with the laws of the State of Spain.
- 16.2 All disputes arising in connection with this Contract, including any question regarding its existence or validity shall be subject to the city of Murcia's Courts (Spain).

