



FERRO SPAIN S.A.

PURCHASE ORDER

PURCHASE STANDARD TERMS TERMS AND CONDITIONS

Acceptance

FERRO SPAIN S.A. (hereinafter, the CLIENT) explicitly submits any purchase order and the acceptance thereof to the terms and conditions listed therein, and also to the appendices attached to every individual purchase order.

Contract

The purchase order, including the terms and conditions fully written and those merely referred therein, constitute the entire and total agreement between the CLIENT and the SUPPLIER.

The SUPPLIER's quotations or proposals will not affect the present terms and conditions, unless specially agreed to the contrary, and no agreement or arrangement which modifies these terms and conditions shall bind the CLIENT, unless this modification is clearly granted in writing and through the signature of their authorized representative.

Advertising

Without the CLIENT written consent in advance, the SUPPLIER cannot spread or publish in any way the fact of having been contracted by the CLIENT or of supplying to the CLIENT the materials and/or services included in the purchase order.

Applicable Law

The sale of the goods object of this purchase order shall be ruled by Spanish mercantile laws in force in the province of Castellon (Valencian Community, Spain).

Assignments and Subcontracting

The SUPPLIER shall not assign any of this rights and obligations arising from the purchase order, without the CLIENT prior consent. The acquisition of materials normally bought by the SUPPLIER or ordered by him in connection with the purchase order shall not be considered as a hiring or a subcontract. The SUPPLIER explicitly agrees that it will not disclose under any circumstances to third parties any of the specifications, drawings or other data furnished by the CLIENT nor any of the products made following to these specifications, drawings or data. The SUPPLIER shall comply with these obligations not only during the process of bidding, but also during the manufacturing and supply of the goods or services ordered and even afterwards.

Invoices

Invoices must be sent in two copies to the CLIENT (to the Accounting Department). The SUPPLIER shall keep the duly signed shipping and delivery documents to clarify any discrepancy that may occur. Delivery shall be executed only to an authorized employee of the CLIENT or carrier.

If the SUPPLIER has signed a self-invoice contract and/or EDI with the CLIENT, it will prevail over the terms on invoices established herein.

Confidential Information

The SUPPLIER undertakes not to disclose to any person other than its employees, for a period of three years as from the reception of the purchase order, as well as not to use for any purpose other than the fulfillment of its obligations arising in connection to the purchase order, every information received from the CLIENT by virtue of the purchase order, which is not available publicly by other legal means. At the completion of the purchase order process the SUPPLIER agrees to return to the CLIENT, unless the CLIENT indicates the opposite, every drawings, samples, designs or other material that contains confidential information. The SUPPLIER at the same time undertakes not to deliver to the CLIENT any information that it could consider confidential, being therefore understood by both parties that all information that the CLIENT could receive from the SUPPLIER is not confidential.

**Data Protection**

The SUPPLIER undertakes to strictly fulfill the Spanish and European current legislation on data protection, making use of the personal data received from the CLIENT only for the execution of the purchase order, and will not transfer them to third parties but for that aim, for the time strictly necessary to fulfill it and demanding the same commitment to the third parties.

Gratuities

No employee of the CLIENT or member of its family shall accept any gift or gratuity from SUPPLIER or alleged SUPPLIER's, who will refrain from carrying out such initiatives. These offers shall be interpreted as aimed to precondition in an unfair manner the relations between the CLIENT and the SUPPLIER.

Client Materials

All materials sold or delivered by the CLIENT to the SUPPLIER to be incorporated in the work entrusted by the CLIENT shall be used solely for this purpose.

Work without previous budget

The SUPPLIER must obtain previously from the CLIENT written approval regarding all work for which a previous estimate or budget has not been given.

Supplies

Supplies shall be executed in accordance with the conditions indicated in the purchase order.

All materials forwarded should arrive duly identified and provided with a delivery note which mentions clearly the merchandise type and our reference number, as well as the number of our Purchase order and the name of the Department or Division they are intended for.

Packaging must bear the CLIENT purchase order number, together with the gross weight, tar and net weight and/or the quantity; the CLIENT will not accept any charge for packaging, unless otherwise explicitly agreed in writing.

According to the nature of the stuff and to the current legislation, the packages will display the corresponding labels of risk / security in a visible place.

The corresponding Quality Certificates shall be attached to the merchandise.

Patents and intellectual or industrial property rights

The SUPPLIER shall resolve or defend at its own expenses (and shall pay any damages, prejudices, indemnities, legal costs or fines), any lawsuits or claims filed against the CLIENT, its subsidiaries, co-operators, or Group companies (or its respective customers), arising from the infringement or alleged infringement by the goods or services supplied under the purchase order or any part of them, of intellectual or industrial property rights or patent rights (including utility models and registered designs), which have been or are to be granted or could be somehow officially endorsed in Spain or in any other territory where the SUPPLIER, its subsidiaries, co-operators, or Group companies should use the good or services supplied by the SUPPLIER.

Upon SUPPLIER's request, the CLIENT shall indicate the countries in which the CLIENT, its subsidiaries, co-operators, or Group companies, should use the good or services supplied by the SUPPLIER.

Prices

The prices indicated are understood to be unmodifiable. No price increase shall be accepted for any reason, except if the CLIENT in writing has previously accepted it.

Quality

The materials ordered are submitted to the CLIENT's inspection and approval, within a reasonable period of time varying according to the product or service involved.

FERRO does not assume any obligation to analyze the products supplied, being the responsibility of the SUPPLIER that such products meet the richness and other physical conditions agreed upon (or, if there is no agreement, the standards generally accepted) and do not contain any impurities or contamination.

All materials are guaranteed as regards their specifications and quality by the vendor.

If the specifications required are not met, the materials may be returned to the SUPPLIER, who shall bear all the costs and risks of the return.

Payment will not mean acceptance of the materials, nor will it impair the CLIENT's right to inspect them or to use the resources it may deem fit.



Deliveries

Deliveries must be made within the dates stated in the purchase order. In the case that these dates are not met, the CLIENT shall have the right to cancel the purchase order and/or return the materials at the SUPPLIER's own risk and cost, in case they is received after the date requested. Besides, the client will be able to freely contract with third parties the goods and/or services included in that purchase order, and to charge the SUPPLIER for the losses and damages caused by the delay, unless the delay in delivery is due to proven force majeure reasons and/or for reasons actually beyond the SUPPLIER's control.

Taxes

The taxes arising from the purchase order will be paid by the corresponding part according to the tax laws in force at the time the specific tax is accrued.

Tools

Tools and/or equipment of any kind that the SUPPLIER utilizes for producing the CLIENT materials, must be repaired and renewed by the SUPPLIER at its own expense.

Transport Instructions

Bill of landing: The original of this document or of the equivalent shipping document must be attached to the invoice. Transportation: No amount shall be charged to CLIENT for transportation, unless otherwise agreed. Freight: The SUPPLIER undertakes to pay all transport expenses, unless otherwise agreed in writing previously. Insurance: The SUPPLIER agrees to pay all insurance expenses.

Merchandise shall be properly packaged for transportation, in full compliance with the rules of the legislation currently in force. Containers shall display the required labels of risk, security and handling; the labels or additional documents attached to them shall describe the actions to be taken in case of accident.

Labor Conditions

In the execution of the purchase order, the SUPPLIER undertakes to fulfill every labor provisions applicable. It likewise undertakes to pay wages, social security, labor mutual funds and whatever other obligations or charges (including health & security at work obligations) are derived from the labor relations with the staff employed by the SUPPLIER to execute the purchase order. All the workforce employed for this purpose shall be at all times under the sole direction and supervision of the SUPPLIER.

Liabilities

The SUPPLIER shall indemnify and discharge the CLIENT from any liability for any claim that arise and have its origin or cause in the goods or services supplied, and shall, paying all and every expenses, defend the CLIENT against any complaint or lawsuit that may arise for this reason.

If a finished product of FERRO is defective because the materials or services supplied did not meet the specifications of the purchase order, or contains impurities or is contaminated, it shall be the responsibility of the SUPPLIER to:

- (If the finished product had not yet leave the factory of FERRO): pay to FERRO the value of the finished product.
- (If the finished product had been used by the customer/s of FERRO): pay to FERRO the value of the finished product, and to bear directly the compensation of all the damages and prejudices caused to FERRO's customer.

Jurisdiction

Regarding any controversy or dispute which might arise in connection with the purchase order or the supply of the goods or services, the parties hereto agree to submit the resolution thereof to the exclusive decision the Courts of Justice of Castellón de la Plana, explicitly waiving any other jurisdiction which could have had in principle a right to decide the case.