

GENERAL SALES TERMS

VALIDITY AND RESOLUTION

The present General Sales Terms are valid for all offers issued by PREMIUM S.A. and accepted by the Customer.

The rights and obligations of the General Sales Terms that by their own nature should subsist, will remain into force after the execution of an order.

ORDERS AND DELIVERIES

The Customers must send the orders to PREMIUM S.A. by written and signed by authorized persons. All orders must contain the Reference of the product to be ordered as it appears in the corresponding offer, quantity, delivery address, invoicing address and reference number of the order.

The acceptance of the orders will only take effect as from the remittance of order acknowledgement by PREMIUM S.A, within the term of validity of the offer and as per the requirements mentioned above.

The Customer has the right to cancel the order without penalty during the first (2) weeks after reception of the order confirmation. However, the customer must pay 40% of the value of the order, in case of its cancellation during the following (4) weeks. PREMIUM S.A. will not accept any cancellation of the order (6) weeks after the reception of the order acknowledgment.

PREMIUM S.A. can make partial deliveries and invoice those deliveries separately. Such partial deliveries will not exempt Customer of the obligation to accept the balance of the order.

In case the Customer requests a storage of the products beyond the agreed delivery date, a monthly charge for storage of 0.5% of the value of the stored equipment will be charged on.

Export deliveries will always be done at carriage due, unless otherwise agreed. The deliveries to the Spanish territory (Peninsula) will be done to the address indicated in the order at carriage paid by truck. In case of need of special means for transportation and unloading, the extra cost will be reflected to the order confirmation and will be invoiced separately. If the need for special means of transport is not expressed by the Customer at the time of confirmation of the order, the request for the same shall be done at least 7 calendar days before the expected date of delivery of the material. For national shipments outside the Peninsula the conditions will be negotiated separately.

With regard the delivery of the goods, the risk of loss or damage of the products will be assumed by the Customer at the moment of being delivered and available at the place indicated by the Customer. The Customer can claim defaults in the quantity or the quality of the products received within 5 working days as from their reception. The Customer will be responsible for notifying by written the reception of material in bad conditions and for stating this circumstance in the delivery note of the carrier at the moment of the reception. After this period, the non-conformance shall be understood as accepted by the Client. If within the period mentioned the Customer notify PREMIUM S.A. about significant fault in the products received, PREMIUM S.A. may choose either to repair or replace the products.

PAYMENT CONDITIONS

The PREMIUM S.A. general payment conditions are as follows:

- For first orders, from any new customer, payment will be done in advance.
- For next orders, if the customer has commercial credit granted by our Commercial Insurance Company, and the amount of the transaction to be covered is within the credit margins granted by the insurance, the payment will be done by bank transfer 30 days from the invoice date unless otherwise agreed.
- If the Customer does not have commercial credit or the credit is not enough to cover the amount of the transaction, the payment method and timing will depend on the nature of the product. If the product is custom made, the payment will be advanced and before the purchase of the materials needed for the manufacturing. If the product is standard and is available on stock, payment can be done before delivery.

In case of delay of payment, PREMIUM S.A. shall charge an interest (TAE) to the amount due, starting from the date of expiration and equivalent to the EURIBOR (or replacing index) to a year increased by three (3) points. Moreover PREMIUM SA will proceed to the cancellation of the commercial credit with the consequent change of the terms to advanced payment for the next orders until the due payment is cleared.

DOMAIN RESERVE

PREMIUM S.A. reserves ownership of the products until the full payment by the Customer. The non-payment of part or totality of the amount invoiced, will entitle PREMIUM S.A. to resolve the contract by a simple Certified Postal Service with proof of receipt. As a consequence the Customer will lose the quantities already delivered in concept of damages and detriments. The Customer may not sell totally or partially the purchased goods until the reception of their total payment even remaining at their possession but to PREMIUM S.A.' disposal always when requested.

WARRANTIES

PREMIUM S.A. warrants the Customer that the manufacture of custom made or special products shall be free from defects for a maximum period of two (2) years from the date of delivery to Customer for industrial products and (3) years for railway products, unless otherwise agreed. Similarly, PREMIUM S.A. guarantees the supply of custom-made products for (10) years.

In the case of standard products from our catalogue, the warranty period is maximum (3) years for industrial models and (5) years for railway models.

Under the above mentioned warranty PREMIUM S.A. shall have the power to repair or replace the equipments.

Unless otherwise agreed, the repair or replacement of the products will be carried out at PREMIUM S.A. premises.

The guarantees established herein shall not cover any damages or operational failures caused by:

- Accidents or negligent, improper or unsuitable use.
- Failure in following the instructions and specifications established by the product's datasheet subject to the complaint and into force at the shipping date.
- Modifications and/or repairs not authorized by Premium's Technical Assistance Service.
- Damages due to fire, floods, earthquakes, atmospheric discharges, actions by third parties or any other reason beyond the normal operating conditions of the equipment and beyond Premium's control.
- Inadequate Transportation.
- Parts with serial numbers that have been manipulated, missing or non-identifiable.

In the event that PREMIUM S.A. determines that the equipment is not defective or has been manipulated without authorization, the costs of the return will be charged as well as an additional charge for technical inspection of the equipment and / or its repair.

LIMITATION OF LIABILITY

With regard of Customer's claims carried out under the present General Sales Terms, the responsibility of PREMIUM S.A will be exclusively limited to the sales price of the equipment, whether the claims are contractual or extra contractual.

PREMIUM S.A. will not be liable for indirect damage, whether material or moral, including lost profits, loss of use, data, orders or other commercial damages or economic advantages. Whatever the cause of these damages, whether by contract or the non-accomplishing of the present General Sales Terms.

TOTAL AGREEMENT

The present General Sales Terms establish the entire agreement relative to the Products between the parties. All modifications must be done by written and signed by a duly authorized representative of each of the parties.

APPLICABLE LAW AND JURISDICTION

The present General Sales Terms are ruled by the Spanish law. To resolve any differences that may arise from the General Sales Terms the parties with express waiver of the jurisdiction that may correspond to them will be submitted to the Courts and Tribunals of the city of Barcelona.