

## STANDARD PURCHASE TERMS AND CONDITIONS BY HERO ESPAÑA, S.A.U.

1.- These Standard Purchase Terms and Conditions shall govern those conditions for the acquisition and delivery of goods and services which are not particularly set out in the Specific Terms and Conditions of the Agreement and Purchase Orders or those terms and conditions that may be set forth differently therein, in which case, both of them shall take precedence over any other previous agreement between the Supplier and HERO ESPAÑA, S.A.U. (hereinafter, HERO or the Purchaser), as well as over any other condition of the Supplier.

The Supplier has been duly informed of the fact that these Standard Terms and Conditions are available, as certified by a Notary Public, at the Website of Hero España (www.hero.es).

### 2.- Obligations of the Supplier

2.1 Notwithstanding any other obligation set forth herein, the Supplier undertakes to deliver the relevant goods and/or to provide HERO with the relevant services, to the full satisfaction of the latter. Therefore, the Supplier undertakes to use any technical, human and material resources which may be necessary for the proper execution of the delivery and/or the service, being held globally liable for the products and/or services subject matter of the agreement.

2.2 The Supplier expressly states that it is up to date regarding Social Security and Public Treasury payments having met all provisions of any applicable laws and regulations in relation to the aforementioned public bodies as well as with any other public bodies; the Supplier has provided HERO with the relevant Social Security and AEAT (State Agency for Tax Administration, as per the Spanish acronym) certificates, or certificates by the equivalent bodies if the Supplier was not Spanish. During the validity term of this agreement, the Supplier must be up to date regarding Social Security and Public Treasury payments and therefore it undertakes to provide HERO, upon its request, with any documents proving the relevant compliance with any Social Security- and AEAT-related obligations, or with the obligations established by equivalent bodies if the Supplier was not Spanish.

2.3 The Supplier undertakes to comply, during the validity term of this agreement, with all applicable Regulations, being held solely liable for any breach thereof.

The Supplier undertakes to adapt to any regulatory changes that may be applicable during the validity term of this agreement, as well as to promptly inform HERO of any amendment in the relevant regulations that may affect the Supplier as soon as it is aware of such amendments.

2.4 Likewise, the Supplier undertakes to comply with all applicable regulations regarding Social Security, Collective Agreements and Trade Union Agreements in relation to salaries so that any Social Security, labour or criminal liability that may arise from a breach of said regulations shall be the sole liability of the Supplier, at its full cost, and HERO shall not be held jointly liable thereof, whether directly or indirectly.

2.5 Besides, the Supplier undertakes to obtain and maintain throughout the validity term of the agreement any licences and permits that may be necessary for the ordinary course of its business.

2.6 The relevant goods or services shall be delivered on the date and in the manner agreed upon in the Specific Terms and Conditions of the Agreement and in the Purchase Orders, pursuant to the agreed 2010 Incoterms.

2.7 The Supplier must comply with any number of technical and health-related requirements set forth from time to time in all applicable Spanish and European Laws duly meeting the specific features of the production process; the acquisition or production of materials, where appropriate, and the packaging and labelling of the Products, allowing for a complete traceability. The Supplier shall be held liable for those products and/or services delivered to HERO until, at least, the best before date of the products prepared by HERO in which the relevant product and/or service of the Supplier has been included.

2.8 Deliveries must be guaranteed by the Supplier as well as, where appropriate, any possible contingency of the service up to the delivery of the relevant goods and/or the completion of the relevant service.

The delivery method and costs related thereto shall be governed pursuant to the provisions of the Specific Terms and Conditions; the ownership of the goods or services shall be transferred upon delivery or completion. Unless provided otherwise, Products shall be delivered at destination free from tariffs and duties.

### 3.- Other Obligations of the Supplier. Warranties

3.1 The Supplier does hereby guarantee that those goods or Products to be provided and/or those services provided, where appropriate:

- a) are suitable for the purposes for which they were offered and/or ordered;
- b) meet all the specifications agreed upon, as well as any relevant documentation, purposes, samples and HERO's purchase rules, which the Supplier knows and accepts.
- c) The Supplier shall adopt any appropriate preventive measures based on the best business and administrative practices and, in particular, based on the best practices on unintended discharges, polluting emissions, neglect and manipulation of polluting or hazardous waste, informing of any incident that may occur during the supply or the products and/or the provision of the services.
- d) HERO shall perform quality controls to make sure that goods and/or services comply with the previously established quality standards and which objectively establish the degree of compliance subject matter of the agreement.

3.2 The Supplier may not hinder in any way the application of the Act on Fair Competition; it may not take part in any agreement to establish common prices; agreements to control production; sales quotas and, in general, in any practice that may affect free competition such as driving a competitor out of the market or limiting the access into the market to new competitors in an illegal manner.

3.3 The Supplier shall prevent any employee from participating in conflict of interest situations that may hinder independent decisions and/or assessments based on friendship or family bonds; interests of the employees or former employees of the Supplier or interests arising from direct or indirect stakes in companies regarding those business that may affect the Supplier.

3.4 The Supplier may strictly comply with any free competition regulations and it may not perform any action qualifying as Unfair Competition by the Act.

#### **4.- Invoicing, Term and Payment Method**

4.1 Regarding the services described, the Supplier shall issue the relevant invoices according to those provisions agreed upon with HERO pursuant to the specific conditions of the Agreement. Such invoices shall include any items and information as set forth from time to time in the applicable regulations, as well as the description of the relevant services or goods delivered.

4.2 The Supplier shall issue the relevant invoices on the last day of each month during which services are being provided and/or goods are being delivered. Invoices must set out the relevant payment date and method.

All invoices shall include the relevant VAT and, in any case, be issued pursuant to the regulations applicable from time to time.

4.3 HERO undertakes to make the relevant payments within the legal terms from the issue date of the invoice or delivery of the goods, the latest of the two, by means of reverse factoring within a term of 60 days from the date of the invoice, being due and payable on the 10<sup>th</sup> day of each month, unless otherwise provided in the Specific Terms and Conditions of the Agreement.

Default payments regarding invoices on the date agreed upon shall entitle the Supplier to claim HERO the full amount of the unpaid invoices plus the corresponding default interests.

If an adjustment must be made, such adjustment shall be included in the invoice corresponding to the following period.

4.4 All payments are conditional upon the receipt of the Goods, which shall be accepted as agreed upon and shall include the relevant documentation. Payment shall not be construed as a waiver of the rights by the Purchaser.

4.5 The Supplier accepts that HERO is entitled to set off outstanding amounts regarding the same or other contract or order by means of subsequent debts of the Supplier, regardless of the origin or nature thereof.

#### **5.- Intellectual and Industrial Property**

5.1 Any inventions, formulas, recipes, materials, designs, drawings, layouts, techniques, trademarks, data and ideas provided to the Supplier for the purposes of the execution of the contract or order shall remain the property of the Purchaser and they may not be used for purposes other than the ones expressly agreed upon or once the relevant validity term has expired.

5.2 The Supplier shall fully compensate the Purchaser for any costs and damages in which the latter may incur as a result of any claim from third parties due to a breach by the Supplier of any patent, registered design, trademark, copyright, intellectual property right, utility model, business secret, etc., when supplying any item or product to the Purchaser.

5.3 The Supplier fully accepts that if, through fault of its own (or that eventually may criminally affect any of its Directors, Officers, employees and/or collaborators), HERO is definitely sentenced for any of the crimes set forth in the current Criminal Code -or replacing ones, where appropriate-, particularly, articles 270 and following ones regarding "crimes against intellectual property"; 273 and following ones regarding "crimes against industrial property"; 278 and following ones regarding "crimes in relation to the market and consumers", the business relationship may be immediately terminated assuming that, under such circumstances, the Supplier has breached the good faith principle, abusing HERO's trust.

The Supplier shall guarantee that its supplies do not breach any exclusive right of third parties (such as, for example, without limitation, patents, distinctive marks, copyrights, designs and undisclosed knowledge) and undertakes to be held liable for any damage directly or indirectly caused by any eventual breach of this provision.

#### **6.- Inspection**

6.1 After providing notice 48 hours in advance, the Purchaser shall be authorised to inspect and/or test the Products, during the manufacturing process and/or during their installation and assembly. The Supplier shall provide the Purchaser, at no cost, the personnel and equipment as may be reasonably necessary for the carrying out of such inspection and/or test.

The Purchaser shall be entitled to run such inspections and tests after the reception of the Services or Products within a term of three months after reception, notwithstanding the liability of the Manufacturer-Supplier regarding the Goods or the Services delivered until the relevant expiration date of the products in which said Goods delivered had been integrated or until the termination date of the warranty of the Services.

6.2 In the event that, after the relevant inspections and/or tests had been carried out, the Purchaser decided to reject the Goods or refused to accept them, it shall promptly inform the Supplier and it shall be entitled at all times to return or to keep them, at the Supplier's cost, until the Supplier has issued the relevant guidelines to remove them and/or to destroy them if the Goods where to be found in the Purchaser's premises.

6.3 The performance of such inspections and/or tests do not imply the acceptance of the contract or order by the Purchaser.

## 7.- Breach

For the purposes of these Standard Terms and Conditions, corresponding to the Agreement or the order, where appropriate, breach shall refer to:

- a) the non-delivery or late delivery by the Supplier of the Goods or Services on the date agreed upon between the Supplier and the Purchaser;
- b) the non-conformity by the Purchaser with the specifications regarding the Specific Conditions or purchase orders and/or with these Standard Terms and Conditions of the Agreement;
- c) the transfer of assets by the Provider in favour of creditors, the commencement of a bankruptcy process or court intervention or insolvency proceedings against the Supplier;
- d) non-compliance with its labour, environmental, Social Security and/or tax obligations to which these Standard Terms and Conditions refer.
- e) the lack of control over the majority of the Share Capital of the current shareholding.

## 8.- Breach and damages

8.1 If any of the parties breaches, whether fully or partially, any of the provisions established herein, it shall compensate the other party for those damages caused.

8.2 The Supplier shall compensate HERO for any cost, damage or claim caused, whether directly or indirectly, by a breach of any of the obligations of the Supplier or for any defects found in the Products or Services; likewise, the Supplier must, at the request of the Purchaser and at no cost for the latter, replenish or replace any defaulting supply.

8.3 HERO may request the Supplier to prove the subscription of an insurance policy with a renowned insurance company sufficiently covering any civil liability that may arise regarding the supply or the goods or services provided by the Supplier.

Failing to prove the aforementioned subscription of the insurance policy may be grounds for termination of this Agreement.

## 9.- Duty of Confidentiality

9.1 Both Parties undertake to keep the utmost secrecy regarding any data their respective personnel may have been disclosed under the provision of the services.

9.2 The Supplier, as well as those persons appointed by the Supplier for the carrying out of the relevant duties and/or the provision of the services, shall treat confidentially any information HERO may have disclosed, whether orally or in writing, and which may be provided so as to comply with the provisions of the Agreement (Specific Terms and Conditions, Standard Terms and Conditions and/or Purchase Orders).

9.3 The Supplier shall keep confidential and consider reserved information towards third parties any data it may hold regarding HERO's activity and, in particular, any information that affects or may affect HERO's business and that may be disclosed to the Supplier during the validity term of this Agreement.

This provision shall also apply to any information regarding market data and criteria, planning, documentation and strategies, customer base, innovations, as well as any confidential information disclosed by HERO and/or its clients and suppliers whether orally or in writing.

9.4 The Supplier, for the purposes of safeguarding the confidentiality of such information, shall:

9.4.1 Apply the obligations and restrictions set forth herein and, in particular, the duty of confidentiality, to any agreements entered into with all its collaborators and employees and, if necessary, to any third parties with which it has or may have in the future any manner of relationship.

9.4.2 Monitor compliance with this obligation and promptly inform HERO as soon as the Supplier is aware of any illegal or undue use or breach of the aforementioned information and/or documentation.

9.5 Under no circumstance may the Supplier, in its own interest or in the interest of third parties, mention, publish or announce in any way its industrial or business activities with HERO and/or HERO's customers and it may not use HERO's brands, logos or names in any media outlet without the previous express authorisation in writing provided by HERO.

9.6 Both Parties undertake to use all reasonable endeavours to protect and defend the ownership and confidentiality of the Information and shall take all necessary measures to safeguard it.

9.7 HERO may request the Supplier, before entering into this agreement, the execution of a confidentiality agreement; the provisions of such confidentiality agreement shall be binding and incorporated to this agreement as part thereof.

## 10.- Safety and Unauthorised Access

10.1 The Supplier may not take ownership of any documents, letters, e-mails or any personal property or information contained in any means, and it may not use any technical listening, transmission or recording device for the purposes of discovering the secrets or breach the privacy of any party nor with any other purposes. Likewise, the Supplier is not allowed to access without the proper authorisation any data or software owned by HERO that may be contained in a computer system or be a part thereof.

10.2 The Supplier is not allowed to take hold, use or modify reserved personal or familiar data which may be recorded in the files or computer, electronic or telematic applications or in any other manner of archive or public or private register owned by

HERO and/or by any of its employees and/or collaborators and/or persons related thereto.

10.3 The Supplier undertakes to take any technical and organizational measures that may be necessary to guarantee the complete safeguarding of any documentation that may be disclosed by or related to HERO, avoiding any alteration, loss and/or unauthorised access or processing.

The Supplier does hereby guarantee that the security measures adopted shall be appropriate to avoid access by any person who may have not been expressly authorised, as well as to avoid the damage, loss or theft of the information for any reason.

10.4 The provisions of clause nine above and this clause ten shall apply for a term of 10 years after the execution and termination of the agreement.

## **11.- Health and Safety at Work**

11.1 The Supplier does hereby guarantee that its employees and/or Auxiliary Businesses have the level of training and experience required for the tasks they carry out.

The Supplier undertakes to guarantee the appropriate protection of its workers regarding health and safety at work pursuant to applicable regulations. For such purpose it must, before the commencement of the activity, perform the relevant risk assessment corresponding to the relevant positions, as well as the relevant planning of the preventive actions regarding thereto. To that effect, the Supplier shall coordinate measures regarding the prevention of occupational risks.

11.2. The Supplier, as well as its employees and Auxiliary Businesses, must comply with all legal and administrative provisions applicable regarding social security, the environment and health and safety at work.

11.3 The Supplier shall be held liable before HERO for any claims, penalties and costs resulting from any breach of the paragraph above.

## **12.- Assignment and Subcontracting**

The Supplier, without the express and written authorisation of the Purchaser, may not assign or transfer any contract or order, whether in full or in part, to any other company, organisation or person and it may not subcontract, whether totally or partially, the commissions set forth in such contract or order provided that, in any case, the Supplier may not use Auxiliary Businesses without the written authorisation of the Purchaser and provided that the Supplier shall be liable at all times for the execution of the agreement. The Supplier may not assign the credit in its favour resulting from the contract or order.

## **13.- Data Protection**

13.1 Both Parties undertake to comply with the applicable regulations regarding data protection and, in particular, with Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data, as well as with any Spanish laws applicable on such matter and/or that may incorporate or develop the aforementioned Regulation.

Both Parties are hereby expressly, accurately and clearly informed of the fact that personal data contained in the Agreements, as well as those arising from their relationship, shall be processed by each Party and that such data are included in the files under the responsibility of each one of the Parties, where appropriate, for the purposes of assuring the development, compliance and control of the contractual relationship.

The grounds for the processing of data are based on the proper execution of this agreement and therefore providing such data is necessary, since otherwise the contractual relationship may not be exercised.

13.2 The relevant data shall be kept for as long as the relationship is held and termination is not requested, complying in any case with the applicable legal terms.

13.3 Data regarding the Supplier may be internationally transmitted to Hero Suiza -Switzerland is a country which the EU Commission has declared as having a protection level equivalent to that of the European Economic Area- with the purposes of meeting the reporting obligation of the Group companies and regulatory compliance policies of the Group.

Likewise, HERO makes use of "On-line Services for Business" by Microsoft Corporation including tools such as Office 365; such use is considered an international data transfer authorised by the AEPD [Spanish Agency for Data Protection, as per the Spanish acronym] as of 9 May 2014.

13.4 Interested parties may exercise their rights of access, rectification, suppression, portability and restriction and opposition by sending a letter to the addresses of the parties set out at the heading of this agreement.

Interested parties are entitled to file claims before the Control Authority (Spanish Agency for Data Protection: [www.agpd.es](http://www.agpd.es))

13.5 If the Supplier should process personal data on behalf of HERO, a data access and processing agreement provided by HERO must be entered into. Likewise, the Supplier must fill in an assessment form as data processor.

## **14.- Goods Transported**

In the event that transportation is carried out or organised by the Supplier, the Supplier fully accepts that, if it is charged with any crime related to the contents of the goods and/or persons being transported, as long as it has not been previously agreed upon by Hero España, S.A., it shall be grounds for the immediate termination of the contractual relationship, assuming that, under such circumstances, the Supplier had breached the good faith principle, abusing HERO's trust. The Supplier shall be held liable and keep Hero harmless from any liability in the event that the content of the goods was not the one agreed upon by both Parties.

## 15.- No Competition Provision

The Supplier shall carry out the works with Hero's personnel, thus gaining a high level of knowledge regarding all aspects of Hero's business; therefore, it is expressly agreed that during the contractual relationship with Hero and for term of two years after the termination of the agreement, the Supplier may not hire any employee of this Company or take any steps necessary so that such employees are hired by any third parties. Non-compliance with the previous provisions shall be grounds for termination of the agreement and for the reimbursement of all amounts received, as well as for the filing of any relevant claims arising from the breach of the agreement.

## 16.- Assignment of rights

The Purchaser reserves the right to assign to third parties the rights and obligations arising from these Standard Purchase Terms and Conditions, the Specific Terms and Conditions and/or the Purchase Orders.

## 17.- Labour Policies

17.1 The basic principles undertaken by the Parties are:

- a) The labour conditions in place must guarantee the proper safety and health at work of the employees.
- b) Employees must be treated fairly as regards working hours, holidays and compensations based on the tasks performed.
- c) Negotiations aimed at entering into collective agreements must be enabled.
- d) Persons must be hired based on equal opportunity principles, without discrimination on the basis of race, skin, gender, political and religious beliefs or origin.
- e) Directly or indirectly employing child labour, slave labour or forced labour is not allowed. In particular, those relevant standards established by the International Labour Organization on such matter must be met.

17.2 Workers are entitled to freely join or create unions and the Supplier may not hinder those activities.

17.3 The Supplier may not discriminate against the workers representatives or trade unionist and it may not punish them in any way due to their membership in a trade union or because of their union-related activities, thus allowing for the full execution of their activities.

17.4 The Supplier shall enforce equal opportunity policies regarding hiring, compensation, access to professional training, promotion, termination and retirement.

17.5 The Supplier shall guarantee that there is no discrimination on the basis of age, gender, religion, marital status, race, social status, ethnic origin, membership of trade unions, political affiliation, sexual orientation or any other personal characteristic.

## 18.- Sustainability

18.1 The Purchaser may not accept natural and manufactured products which do not meet the relevant environmental standards.

18.2 The Supplier may guarantee the protection of the environment, as well as compliance with regulations applicable in the geographical area where its operations are carried out. These are HERO's principles regarding the protection of the environment:

- a) Production and supply chain processes are designed in a way that the use of resources available is efficient and environmental impact is minimised.
- b) Our suppliers promote the utmost environmental responsibility, as well as the development and dissemination of eco-friendly technologies.

18.3. The Purchaser requires all of its suppliers to connect in a transparent manner their profiles to that of the Hero Group on SEDEX

(<http://www.sedexglobal.com/http://www.sedexglobal.com/>).

## 19.- Code of Ethics

Both Parties must act in good faith so as to comply with the provisions agreed upon. The Supplier voluntarily undertakes to abide by the provisions of HERO's Code of Ethics and Conduct, expressly stating that it is familiar with and accepts such Code, notwithstanding the mandatory compliance with the provisions of current Regulations.

The breach of the provision set out in the previous paragraph shall be grounds for the termination of the contractual relationship between the Parties.

The Supplier has been duly informed of the fact that such Code is available at the Website of Hero España.

## 20.- Private Corruption

20.1 The Supplier may not, under any circumstances, by itself or through an agent, promise, offer or grant HERO's officers, directors, employees or collaborators, any undue benefit or advantage, whatever its nature, either for them or for third parties, in consideration for any undue advantage for the Supplier or a third party against other parties regarding the acquisition or sale of goods, procurement of services or commercial relationships.

20.2 Any invitations to HERO's employees to take part in research trips or seminars organised by the Supplier may only be acceptable if such professional events are directly related to the tasks carried out by the persons involved.

20.3 Any breach of the previous provision may cause the immediate termination of the agreement.

## 21.- Software Damage, Denial of Service Attack

If the Supplier, by any means, without the express authorisation and in a serious manner, erased, damaged, altered, eliminated, hindered, discontinued or rendered any data, computer software, electronic documents or the operation of HERO's computer systems inaccessible pursuant to the provisions of article 264, sections 1 and 2, of the current Criminal Code, this Company may choose to immediately terminate this commercial contract, notwithstanding the enforceability of other remedies.

## **22.- Money Laundering**

The Supplier shall comply with the provisions set forth by virtue of Money Laundering regulations regarding their businesses with any number of commercial partners as required by said regulation and with whom the Supplier may have any manner of business relationships so as to fully avoid the risk of collaboration, enhancement or participation in such activity.

## **23.- Waiver**

Any waiver regarding the exercise of any rights the Parties may be entitled to pursuant to this agreement shall not be construed or considered as a waiver of a future exercise or the loss of such rights.

## **23.- Force Majeure.**

The term force majeure shall refer to any breach of the relevant obligations of the Parties which is not attributable to any of them. In any case, the Supplier shall be held liable for those breaches, which shall not be considered as force majeure breaches, if they are caused by transportation issues, diseases of the personnel, strikes, stagnation of the Supplier's business or the business of any of its suppliers. Force majeure events shall be immediately communicated by the Party affected by them. HERO shall be entitled to terminate this agreement if the force majeure event lasts or may last more than thirty (30) days.

## **24.- Amendments and Addenda.**

Any amendment or addenda to these Standard Purchase Terms and Conditions shall only be valid if it is expressly stated as such, if it is made in writing or if it is attached to the Agreement and signed by the authorised persons of each Party.

In such cases, with the exception of those clauses expressly amended by virtue thereof, any other clauses comprising the Agreement shall still be valid and, therefore, fully enforceable.

## **25.- Enforceability**

The unenforceability, and therefore, the invalidity of any of the clauses and/or schedules comprising this Agreement, may not affect the enforceability or validity of the remaining clauses and/or schedules, which shall be fully enforceable unless the unenforceability of such clauses and/or schedules are deemed as instrumental.

## **26.- Inconsistency between the Clauses of the Spanish and English Versions**

In the event of inconsistencies between the clauses of the English version and the clauses of the Spanish version of this document, the clauses of the Spanish version shall prevail.

## **27.- Applicable Law and Jurisdiction**

All those aspects which are not foreseen in this Agreement and in the relevant addenda shall be governed by Spanish law, as agreed by the parties, and, in particular, provisions of the Code of Commerce, special laws, business practices and the Civil Code shall apply. Both Parties mutually agree to expressly waive the right to submit to any jurisdiction that may be applicable to them and undertake to submit any conflict arising from this agreement to the Courts and Tribunals of Murcia, pursuant to common Spanish regulations.