General Terms and Conditions of Delivery
of the Private Limited Company Compás Servicios Globales SLU
having its registered office and principal place of business at
in Barcelona Province with European Union Tax Identification Number ES-B97762702.

Article 1: Definitions
1. “Compás” the private limited company “Compás Servicios Globales”, trading as “Alloy Valve Stockist™” or “Grupo Compás™”, having its registered office in the Province of Barcelona, Spain.

2. Purchaser or Client: the party with which Compás contracts.

3. Quotation: an offer from Compás to the Purchaser in which the work or the goods purchased are specified in terms of material, price and delivery period.

4. Agreement: the agreement between Compás and the Purchaser.

5. Delivery period: the period between the formation of the Agreement and the point of delivery or completion of the performance as agreed upon by contract.

Article 2: Applicability
1. These General Terms and Conditions shall apply to every quotation, agreement and obligation arising therefrom on the part of and with Compás.

2. Departures from these Terms and Conditions may take place only in writing and shall be valid only with respect to the specific Agreement to which the departure relates.

3. If any provision of these General Terms and Conditions or of an agreement concluded to which these General Terms and Conditions have been declared applicable, proves to be legally invalid in accordance with a judicial decision, the remaining provisions shall remain in full force. If and insofar as any provision of these General Terms and Conditions proves to be legally invalid in accordance with a judicial decision, this shall be modified to a legally acceptable provision which conforms as much as possible to the essence of the invalid provision and the Agreement.

4. As a result of the mere fact of an order given to Compás, the Purchaser declares that any terms and conditions existing on its side, howsoever called and filed, shall not apply, so that only these Terms and Conditions shall apply to all agreements.
Article 3: Offers, agreements and cancellations
1. All quotations shall be without any obligation and shall be valid during the period stated by Compás.

2. Orders given to Compás shall constitute irrevocable offers so long as the order has not been refused by Compás.

3. An agreement shall be formed as a result of Compás accepting the order.

4. Once Compás has received a formal Purchase Order from the Purchaser, Compás will consider this Purchase Order as binding and irrevocable, regardless of whether the payment terms have been met or drawing approvals have been received. In case of cancellation of a Purchase Order, Compás will invoice and collect a minimum cancellation fee of 40% and up to 100% of the total Purchase Order value from the Purchaser.

5. Purchase Orders that are not cancelled but substantially modified will also carry fees of a minimum of 40% up to 100% on the total value in which the Purchase Order has diminished.

Article 4: Delivery period
1. Compás shall endeavour to deliver the goods purchased within the period stated in the order confirmation. The delivery period shall never be a deadline. If the delivery period is exceeded, this shall not give the Purchaser any right to compensation for any loss suffered, unless the Parties have agreed otherwise in writing.

2. The delivery period shall commence when agreement has been reached on all technical details, all necessary information and final drawings etc. are in the possession of Compás, the agreed payment or instalment has been received and when all necessary conditions for the execution of the order have been fulfilled.

3. With the exception of cases of intent or gross negligence on the part of Compás, if the delivery period is exceeded by six months or less, this shall not provide the Purchaser with any grounds for dissolving the Agreement. If the delivery period is exceeded by more than six calendar months, the Purchaser shall have the right to dissolve the Agreement for the part of the obligation that has not yet been fulfilled, by means of a bailiff’s notification or registered letter. If Compás has commenced manufacture of the goods purchased, this right shall exist only after the delivery period has been exceeded by nine months, subject to the condition that the Purchaser must in that case purchase from Compás, for a proportional price, that part of the goods purchased which is finished or virtually finished.

4. If an order is carried out by delivery in consignments, each consignment delivery shall be regarded as a separate transaction with all the legal consequences. Each consignment delivery shall be invoiced separately.
5. If, after the Agreement has been concluded, Compás becomes aware of circumstances which must give it grounds to fear that the Purchaser will be unable to fulfil its obligations, Compás shall be entitled, in addition to its statutory rights, to dissolve the Agreement unilaterally, provided that, only in the event of serious doubt concerning the validity of such fear, it has first requested the provision of adequate security. Compás shall under no circumstances be obliged to pay compensation in the event of such dissolution.

**Article 5: Force majeure**

1. If Compás is unable to fulfil its obligations due to force majeure, the delivery period shall be extended by the period of this force majeure, without Compás being obliged to pay compensation for any damage and/or loss.

2. For the purposes of this Article, force majeure shall be understood to mean all circumstances for which Compás is not responsible or accountable by law, by legal act or according to generally accepted standards, on account of which circumstances, according to criteria of fairness and reasonableness, fulfilment or timely fulfilment of the Agreement or of a part thereof cannot be required of Compás. Force majeure shall also be understood to include earthquakes, exceptional weather conditions, fire, loss or theft of tools, the loss of materials for processing, road blockades, strikes or stoppages and import or trade suspensions.

3. The Parties shall each have the right to dissolve the Agreement without judicial intervention as soon as it is an established fact that, as a result of force majeure, Compás is prevented permanently, or for at least 6 months, or for 9 months if production has already commenced, from fulfilling its obligations vis-à-vis the Purchaser. In such cases, the Purchaser shall not have any right to compensation for any damage or loss and must pay the costs already incurred by Compás and take and pay Compás for the raw materials, materials and parts reserved, processed and manufactured in order to fulfil the Agreement, failing which Compás shall be entitled to store or sell those goods at the Purchaser’s expense and risk. In any case, the Purchaser must purchase from Compás, for a proportional price, the part of the goods purchased which is finished.

**Article 6: Prices**

1. Unless specified otherwise in the quotation and/or order confirmation, prices shall be ex-works. Prices shall be exclusive of turnover tax and packaging, shipping and clearance charges.

2. If four months have passed since the date on which the Agreement was concluded, and Compás has not yet completed its fulfilment of the Agreement as agreed, an increase in factors determining prices may be passed on to the Purchaser.

3. Payment of the price increase as referred to in paragraph 2 shall be made at the same time as payment of the principal or the last instalment.
Article 7: Place of delivery and transfer of risk
1. Unless agreed otherwise in writing, delivery shall take place unpackaged, to the address where Compás’ works are established. Delivery shall take place by transfer of the goods purchased to the carrier. The risk shall transfer to the Purchaser at that point.

2. Regardless of the provisions of the first paragraph, the Purchaser and Compás may agree that Compás shall arrange the transportation. The risk of loading, transporting and unloading shall also be borne by the Purchaser in that case. The Purchaser must insure itself against those risks.

Article 8: Retention of title
1. The goods delivered shall remain the property of Compás until the Purchaser has fulfilled all its financial obligations vis-à-vis Compás in connection with the agreement concluded between the Parties, including interest and costs.

2. So long as the goods delivered are subject to a retention of title, the Client may not dispose of those goods except in the normal conduct of its business.

3. After Compás has relied upon its retention of title, it may take back the goods delivered. The Client shall grant Compás entry to the place where the goods are situated.

4. If Compás is unable to rely upon its retention of title because the goods delivered have been mixed, transformed or acceded, the Client must pledge the newly formed goods to Compás.

5. If Compás requires it, the Client must provide security for the fulfilment of its obligations.

6. Regardless of the retention of title, the goods shall be at the Client’s expense and risk from the point of delivery.

Article 9: Industrial and intellectual property rights
1. Unless agreed otherwise, Compás shall retain the copyright and all industrial property rights in its offers and in the designs, illustrations, drawings, specimen models and programs etc. provided by it.

2. The rights in the information referred to in paragraph 1 shall remain the property of Compás regardless of whether the Client has been charged fees for the manufacture of such information. Such information may not be copied, used or shown to third parties without the express permission of Compás. If this provision is breached, the Client shall be liable to pay Compás a penalty of EUR 25,000. This penalty may be demanded in addition to the compensation under the law.

3. The Client must return the information provided to it as referred to in paragraph 1 at the first request within the period stated by Compás. If this provision is breached, the Client shall be liable to pay Compás a penalty of EUR 1,000 per day. This penalty may be demanded in addition to the compensation under the law.
4. In the case of manufacture according to drawings, models or other instructions from the Client, the Client shall assume full responsibility for ensuring that the manufacture and/or delivery of the product concerned does not infringe any trademark, patent or similar third-party right. The Purchaser shall indemnify Compás against any third-party claims against it.

**Article 10: Auxiliary persons and employees**

1. When carrying out the Agreement, Compás shall be entitled to use auxiliary persons. When employing third parties, it shall always exercise due care. Any liability for failures in the performance of the Agreement by third parties is ruled out.

2. If the aforementioned auxiliary persons or employees should be sued outside the Agreement, in connection with the work for which they were used by Compás, it shall be deemed to have been stipulated that those auxiliary persons and employees may rely upon all the stipulations concerning exclusion or limitation of liability included in these Terms and Conditions.

3. Compás may rely upon every exoneration stipulation which auxiliary persons and third parties have agreed upon with Compás with respect to the Purchaser.

**Article 11: Payment**

1. The Purchaser must make a preestablished prepayment payment to Compás without any deduction and/or setoff within 30 days of the invoice date, unless agreed otherwise in writing. The Purchaser shall not be entitled to suspend payment. All shipments are prepaid in full prior to delivery for at least the first 3 purchases for every new customer.

2. Only payment by transfer to one of the bank accounts in the name of Compás shall discharge the Purchaser.

3. The Purchaser’s right to set off its claims against Compás is ruled out, except in the case of Compás’ liquidation.

4. Any claims under a guarantee shall not suspend the Purchaser’s payment obligations.

5. In the event of non-payment or late payment, the Purchaser shall be in default by the mere lapse of the payment term, without any warning or notice of default being required. From the latest due date for payment, the Purchaser shall be liable to pay interest on the amount that it owes Compás, at the rate of 1% per month, compounded annually.

6. The extrajudicial collection costs shall be payable in full by the Purchaser. Such costs shall be fixed at 15% of the principal due, with a minimum of EUR 500, without Compás having to prove that those costs have been incurred.

7. If Compás is the successful party in legal proceedings, all costs incurred by Compás in connection with the proceedings shall be payable by the Purchaser.
8. If the Purchaser fails to fulfil its payment obligations in time, the entire purchase price payable to Compás shall be due and payable immediately and in full, regardless of the state of the work, and Compás may demand its immediate payment and may suspend the work until payment in full has been made. This provision shall not affect the provisions of Article 13 paragraph 2.

9. Payments to Compás shall be deducted firstly from costs, then interest and then the most outstanding invoices.

**Article 12: Goods not taken up**

1. When goods have not been taken up after the delivery period has lapsed, those goods shall remain at the disposal of Compás. Goods not taken up shall be stored at the Purchaser’s expense and risk.

**Article 13: Dissolution**

1. If the Purchaser fails to fulfil one or more of its obligations in time and properly, or dies, is declared bankrupt or applies for a moratorium on payments, proceeds to wind up its company, is placed under guardianship, its goods are completely or partially seized, or if it is otherwise shown to be insolvent, the Purchaser shall be deemed to be in default by operation of law and Compás shall be entitled, extrajudicially, to dissolve the part of the Agreement not yet carried out, or to take any other measure which it deems appropriate.

2. In all such cases, all claims against the Purchaser shall be due and payable immediately and in full, and Compás shall be entitled to recover from the Purchaser the damage and/or loss suffered by it in fulfilling the Agreement. Such damage and/or loss shall be set at 50% of the agreed price, without prejudice to Compás’ right to claim full compensation.

3. The Purchaser undertakes to indemnify Compás against third-party claims resulting from the dissolution of the Agreement.

4. Minor deviations from the usual or reasonable tolerances shall not give the Purchaser any right to dissolution, complaint, rejection, replacement or compensation.

**Article 14: Liability**

1. Compás shall not be liable for damage or loss suffered by the Purchaser unless that damage or loss is directly and solely the result of an attributable failure on the part of Compás. In any case, only damage or loss for which Compás is insured shall be eligible for compensation.

2. If there is any liability on the part of Compás, such liability shall be limited to the amount that is paid out in the case concerned under Compás’ liability insurance.

3. In the event of liability on the part of Compás, the duty to compensate for the damage or loss shall be fulfilled in full by repairing and/or rectifying or replacing the goods purchased by the Purchaser, all at the option of Compás.
4. Compás shall not be obliged to carry out repair work if the Purchaser fails to fulfil properly and in time all obligations arising for it from the Agreement concerned. If Compás allegedly fails to carry out repair work, this shall not release the Purchaser from its obligations arising from the Agreement with Compás.

5. Complaints about the goods purchased or their delivery must be submitted to Compás in writing within seven calendar days of delivery, failing which the right to sue Compás for any failure shall lapse.

6. Damage to the goods delivered shall be the only damage or loss eligible for compensation. Every form of consequential damage and trading loss shall be expressly ruled out, including but not limited to, loss resulting from discontinuation and loss of profits, loss resulting from personal accidents and loss arising from third-party claims against the Purchaser.

7. The Purchaser shall indemnify Compás against all third-party claims relating to product liability resulting from a defect in a product which was supplied to a third party by the Purchaser and which was partly or wholly composed of products and/or materials supplied by Compás.

8. All liability on the part of Compás for damage to or loss of materials provided by the Purchaser is ruled out. Any damage arising during transport of such materials to Compás shall be entirely at the Purchaser’s expense and risk.

9. Compás shall not be obliged to pay any compensation other than that pursuant to the stipulations of this Article, unless agreed otherwise when the Agreement was concluded.

10. Compás discloses the location of the manufacturer, yet cannot and will not be held responsible for the origin of the raw material used to manufacture the valves. Hence, if a manufacturer tests and emits certificates from their European Union or North American facilities, these items will be considered “Western Origin”, even though raw material or work on this raw material is partially performed in other locations.

Article 15: Guarantees
1. For a period of six months following delivery, Compás shall guarantee the proper execution of the agreed performance.

2. If the agreed performance involves the contracting of work, Compás shall guarantee, during the period referred to in paragraph 1, the sound quality of the construction delivered, provided that it was free to choose such construction.

3. If the agreed performance involves the processing of materials supplied by the Client, Compás shall guarantee, during the period stated in paragraph 1, the sound quality of the processing.

4. The Client must in all cases give Compás the opportunity to remedy any defect or to carry out the processing again.

5. The Client may make a claim under the guarantee only after it has fulfilled all its own obligations.
6. No guarantee shall be provided for defects resulting from normal wear and tear, misuse, maintenance or installation not carried out or carried out incorrectly, or alterations or repairs carried out by the Client or third parties. Furthermore, no guarantee shall be provided for goods delivered which were not new at the time of delivery. The right to a guarantee shall lapse if repairs have been carried out to goods by the Purchaser or by third parties.

**Article 16: Disputes and applicable law**

1. Spanish law shall apply exclusively to the Agreement concluded with the Purchaser.

2. Any disputes arising from or connected to the Agreement(s) concluded between the Parties and the performance thereof, shall be referred to the competent district court in Barcelona, Spain.

**Article 17: Working language**

1. These General Terms and Conditions have been drawn up in English and Spanish. If and insofar as there is a difference in interpretation between the English and the Spanish text of these General Terms and Conditions, the interpretation which must be given to the Agreement based on the Spanish text shall be binding upon the Parties.

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Barcelona, 28 May 2007