

General Terms and Conditions for CEPSA Service Agreements

1. OBJECT

This document establishes the general Service Agreement terms and conditions that govern commercial activity between CEPSA Group companies (hereinafter CEPSA) and the counterparty (hereinafter the Provider) in transactions for the agreement of works or services, whether under a Service Agreement or to Purchase Order.

For these purposes, the CEPSA Group companies shall be those included in the group in accordance with article 4 of the Spanish Securities Market Act (Law 24/1988 of 28 July).

These terms and conditions are subject to the requirements established in the General Contractual Terms Act (Law 7/1998 of 13 April) for agreements in Spain.

2. SCOPE OF APPLICATION

2.1. These General Terms and Conditions for Service Agreements shall apply to all Service Agreements and Purchase Orders formalised by any company within the CEPSA Group.

2.2. Any exception to these general terms and conditions that might be required by the Provider shall be established in writing and shall be valid only if accepted by CEPSA in like manner.

2.3. All and any exceptions that may be agreed following this procedure shall apply only to a specific Purchase Order or Service Agreement and shall not be extended to any other past or future Purchases Orders or Service Agreements.

3. PRESENTATION OF QUOTATIONS

Prospective service providers shall present their quotations in accordance with the relevant Request for Quotation (RFQ) issued by CEPSA.

CEPSA reserves the right to accept or reject quotations, in the latter case without compensation of the prospective service provider.

Except where otherwise provided in the RFQ, quotations shall be valid for thirty (30) days as from the date received by CEPSA.

4. FORMALISATION OF PURCHASE ORDERS AND SERVICE AGREEMENTS

Quotations accepted by CEPSA shall be formalised via Service Agreement or Purchase Order, as appropriate. Any change in the terms and conditions established in these documents shall be made in writing.

The Purchase Orders or Service Agreements issued by CEPSA shall be deemed tacitly accepted by the Provider, unless the Provider states otherwise in a written communication within seven (7) days of the date of issue.

Acceptance of the Purchase Order by the Provider shall entail acceptance of these General Terms and Conditions for Service Agreements in their entirety, which shall form an integral part of the Purchase Order accepted. Likewise, the provision of the services, in whole or in part, by the Provider shall imply acceptance of these Terms and Conditions and of the Purchase Order issued.

Prior to the formalisation of any PO or SA, every service provider must be registered and approved in CEPSA's Vendor Evaluation and Approval System.

The Contractual Documentation means the series of documents formed by the Service Agreement or Purchase Order, Technical Standards or Specifications, the Quality Plan, where appropriate, the Vendor Quotation and the documentation referred to therein.

In the event of contradiction between any of these documents, the terms and conditions of those listed in first place in the preceding paragraph shall prevail.

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5. ACCEPTANCE OF THE SERVICE

The services referred to in the Purchase Order or Service Agreement shall be provided in accordance with the Contractual Documentation, and any change shall require the express acceptance of the CEPSA Group.

The Purchase Order and related Contractual Documentation shall specify the terms and conditions for the provision of services.

If the service is not accepted on justified grounds, it shall be held as not provided, unless otherwise expressly agreed.

CEPSA reserves the right to accept a defective service, agreeing the pertinent reduction in the price with the Provider based on the defects identified.

6. GUARANTEE PERIOD FOR THE SERVICE

The work or service, as well as any items, equipment or materials furnished by the Provider, shall be carried out or provided on the dates, at the place and subject to the other terms and conditions specified in the contractual documents.

7. ACCEPTANCE OF THE WORK OR SERVICE

The Provider shall duly notify CEPSA in advance of the termination of the work or service to allow verification of compliance with the technical requirements and contractual obligations established for the provision and operation of the service. The Provider shall proceed to make provisional delivery to CEPSA, without prejudice to any claims in respect of outstanding amounts.

The Provider shall notify CEPSA to request definitive acceptance when the guarantee period established in the Contractual Documentation expires, or a period of one (1) year has elapsed from receipt of the work or service. Upon definitive acceptance of the work or service, the responsibilities of the Provider under the Contractual Documentation shall end, except liability for hidden defects and any outstanding commitments, such as social security or salary obligations.

8. PRICES

The prices established in the Purchase Order and/or Service Agreement shall be fixed and shall not be subject to review. Prices shall in all cases include the cost of providing the service, as well as general expenses and the Provider's industrial profit.

Prices shall include all items, circumstances and matters specified in relation to prior studies and the provision of the service in the Purchase Order and/or Service Agreement and, therefore, the Provider shall not be entitled to claim any out-of-pocket expenses, cost overruns or other supplementary amounts.

9. TERMS OF PAYMENT AND INVOICES

The Provider shall issue the invoices before any payments are made, except where the parties may have agreed a self-invoicing procedure.

All invoices shall include appropriate details of the Provider and of the CEPSA purchaser, as well as the reference number of the Purchase Order or Supply Agreement.

Invoices shall also include a breakdown of VAT or any other taxes levied in accordance with the prevailing legislation.

The Provider shall send all invoices to the address specified in the Contractual Documentation.

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All invoices shall be supported by documents supporting acceptance of the service provided.

The payments shall be made by bank confirming procedures on the first payment day falling ninety (90) days after the date of the invoice or the date of acceptance of the service, if later.

The payment day shall be the seventeenth (17th) of each month or, if this is not a business day, the immediately following business day.

The payment terms established above shall not apply in those cases where specific legislation or generally accepted market practices exist.

10. TAXES

10.1. The Provider shall be liable for all taxes, levies, charges, rates and public prices arising from the performance of the Purchase Order or Service Agreement, except taxes payable by CEPSA by law.

10.2. Pursuant to article 43 of the Spanish General Taxation Act (Law 58/2003 of 17 December), the Provider is required to furnish CEPSA with a certificate, issued by the Tax Authorities, confirming compliance by the Provider and/or its subcontractors with tax obligations.

11. PROVIDER'S REPRESENTATIONS AND WARRANTIES

The Provider warrants as follows:

- a) The services provided comply with the requirements, terms, conditions and other descriptions established in the Contractual Documentation.
- b) The services provided meet all quality, labour risk prevention and data protection requirements established in the Contractual Documentation or by law, in particular Royal Decree 1215/1997, where applicable.
- c) Any materials used by the Provider to perform the service, where appropriate, are free of visible or hidden defects. The Provider further warrants the service provided against any defect or error in conception, execution or the materials utilised for the guarantee period established, where appropriate, in the Purchase Order or Service Agreement.
- d) The Provider and its employees are in compliance with the Spanish Labour Risks Prevention Act, as required for any work to be performed by the Provider's employees at CEPSA facilities, or the facilities of third parties, in relation to the services contracted by CEPSA.

The Provider undertakes to correct promptly and at no expense to CEPSA any services that do not comply with the abovementioned. If the Provider does not meet its obligation to correct service defects, as established above, CEPSA reserves the right to correct the defects or errors detected in the service provided at Provider's cost.

The Provider shall defend, indemnify and hold CEPSA harmless from and against any expenses, costs or charges resulting from failure on the part of the Provider to meet its contractual obligations vis-à-vis its suppliers, subcontractors, employees, agents or any other natural or legal person with which it has acquired obligations of any kind.

The Provider shall defend, indemnify and hold CEPSA harmless from and against any legal claims or actions caused by the infringement of industrial or intellectual property rights in the services provided.

The Provider shall likewise defend, indemnify and hold CEPSA harmless from any liability or damages, and shall compensate CEPSA for any loss, financial guarantee, cost, damages or expenses resulting from any legal claim or action caused by use of the service provided. CEPSA reserves the right to participate in the defence of any such claims or actions or, if it so decides, to undertake such defence using its own legal council.

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The Provider shall defend, indemnify and hold CEPSA harmless from and against any damages or expenses resulting from the responsibility incurred by CEPSA, either at law or under prevailing regulations, and for the costs and damages resulting from injuries to or death of any person, whoever they may be, and/or damages to property, whoever may own it, arising from the performance of the work and provision of the services to CEPSA.

12. GUARANTEES

At its own discretion, and if it deems it necessary to guarantee the performance of the Service obligations, CEPSA may request the Provider for an irrevocable, first demand, joint and several bank guarantee for the agreed guarantee period, the amount of which shall be specified in the Request for Quotation (RFQ).

The guarantee shall be released once the Provider has satisfactorily dealt with all and any reservations that might have been made upon the receipt of the Service, has resolved of the problems that might arise following reception and has delivered all of the documents related to the performance of the guarantees and specification established in the Contractual Documentation.

13. INSPECTION AND QUALITY

CEPSA reserves the right to inspect compliance with Service quality conditions in on-site visits by its authorised representatives at the premises or facilities of the Provider and/or its subcontractors. Such inspection shall not exempt the Provider from its obligation to provide Services strictly in conformity with specifications and with applicable legal requirements, or from its obligations under the guarantees given.

14. ENVIRONMENTAL MANAGEMENT

The Provider shall be responsible for the preparation and implementation of applicable environmental management procedures in accordance with environmental legislation prevailing from time to time. All compliance costs shall be payable by the Provider.

The Provider shall report any hazardous or toxic Materials used, or that may be used, to provide the Service.

The Provider shall comply at its own expense environmental regulations (international, EU, or Spanish national, regional or local legislation) and public or private standards, including environmental standards at each CEPSA Facility and CEPSA's General Environmental Regulations. The Provider shall act with due diligence to comply with all such standards and legislation as may apply to the Service, and shall ensure compliance by CEPSA.

The Provider warrants no hidden defects, complaints and/or litigation, offences or fines exist in relation to any incidence of non-compliance. The Provider further warrants that it is not aware of any issues that could arise in relation to such matters.

15. HEALTH, SAFETY AND PREVENTION OF LABOUR RISKS

The Provider shall be responsible for compliance with all official Health and Safety and Labour Risk Prevention legislation, as well as private regulations. The Provider undertakes to comply with all such official or private regulations.

The Provider represents and warrants that no hidden defects, complaints and/or litigation, offences or fines exist in relation to any incidence of non-compliance. The Provider further warrants that it is not aware of any issues that could arise in relation to such matters.

16. INSURANCE

Without prejudice to its responsibility under the Purchase Order and/or Service Agreement, which shall not be limited by this clause, the Provider shall arrange the insurance policies described below and keep the same in effect at all times over the term of the Purchase Order or the Service Agreement:

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- a) Sickness and workplace accident insurance for all employees assigned to the work.
- b) Property loss insurance covering all equipment used with a limit that is not less than the replacement value thereof.
- c) Civil liability insurance with minimum cover of twenty million euros (EUR 20,000,000) per claim. This insurance policy shall include CEPSA as an additional insured party, but without affecting its third-party status.

Before commencing the provision of the Services, the Provider shall furnish CEPSA with insurance certificates for the policies arranged. The insurance certificate shall be attached to the Purchase Order or Service Agreement in an Annex.

The Provider shall report any incident affecting the validity and conditions of insurance policies to CEPSA in writing.

CEPSA shall not, under any circumstances, be liable for any limits on indemnities, deductibles or exclusions established in the Provider's insurance policies.

All insurance policies referred to in this clause shall include a mention exempting CEPSA from any liability and excluding CEPSA from any action for recovery that might be taken by the insurer.

The Provider, on its own exclusive responsibility, shall oblige its subcontractors to comply with the Provider's liability-cover and insurance requirements. Such measures shall not exempt the Provider from its liability towards CEPSA.

17. ASSIGNMENT AND SUBCONTRACTING

The Provider shall not subcontract, assign or transfer the Purchase Order or Service Agreement, in whole or in part, or any of the rights and obligations incidental to the same, without the prior written consent of CEPSA.

The Provider undertakes to make all deliveries itself, and it shall not subcontract any deliveries to third parties without the express written consent of CEPSA.

Where CEPSA authorises subcontracting, the Provider shall submit a list of the proposed subcontractors for recognition by CEPSA prior to the formalisation of the Service Agreement.

These terms and conditions for subcontracting expressly exclude any specialist technical support services agreed on a case-by-case basis by CEPSA and the Provider, either during the planning of work or as and when required.

The Provider shall only subcontract, where appropriate, to firms that are in compliance with the requirements of the Spanish Construction Industry Subcontracting Act (Law 32/2006) and the related Regulation 1109/2007. The Provider shall ensure that all Subcontractors abide by the provisions of this legislation. CEPSA may at any time require certification of compliance.

The Provider shall be fully responsible for all work subcontracted to third parties and shall in any event be liable to CEPSA for any matters arising from the performance of subcontracted services, or for any breaches of legislation governing subcontracting.

18. LIQUIDATED DAMAGES

18.1. Delays in the starting and/or completion date for the Service

Liquidated damages shall be established in the Request for Quotation (RFQ). In the absence of any specific regulation, liquidated damages equal to 3% of the cost of any Service not provided within the period established shall be applied per week's delay or fraction thereof up to a maximum 21% of the total price per the Purchase Order or Service Agreement.

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Liquidated damages shall be discounted from the payment of outstanding invoices, or from the guarantee deposit established, where applicable.

19. TERMINATION OF SERVICE AGREEMENTS AND CANCELLATION OF PURCHASE ORDERS

CEPSA reserves the right at any time to cancel or terminate a Purchase Order or Service Agreement at no cost itself. The Provider shall be notified of cancellation by letter, fax, telex or telegram. Purchase Orders shall be cancelled in the following circumstances:

- a) Where the Provider fails to comply with any of its employment, tax, social security, environmental, labour risk prevention, and health and safety obligations.
- b) Death or incapacity of the Provider.
- c) Where a period of five (5) weeks elapses after the termination of the delivery period specified in the Contractual Documentation without provision of the Service.
- d) Where the Provider fails to comply with any of the guarantees or indemnities established in these General Terms and Conditions for Service Agreements or in any other Contractual Documentation.
- e) Where the Provider fails seriously to comply with the safety conditions established for the provision of the Service.
- f) Where the Provider fails to comply with quality requirements established for the provision of the Service.

In the event of termination of the Service Agreement or cancellation of the Purchase Order on any of the grounds referred to above, CEPSA reserves the right to execute the guarantees or to withhold any partial deliveries made in advance, without prejudice to any action for damages it may be entitled to take against the Provider.

CEPSA may also cancel the Purchase Order or Service Agreement, either in whole or in part, notifying the Provider by letter, fax, telex or telegram. Upon receiving such notification, the Provider shall suspend all work related with the Purchase Order or Supply Agreement.

Upon the issue and delivery of notice of termination, the Provider and CEPSA shall negotiate fair payment for any work carried out and/or goods stockpiled based on the terms and conditions of the relevant Supply Agreement.

20. FORCE MAJEURE

20.1. Neither party shall be held liable for non-performance of any obligations arising under an Purchase Order or Service Agreement where performance may be delayed or prevented for reasons of force majeure.

20.2. In cases of force majeure, the contractual obligations of the parties shall be suspended until such time as the causes may be removed.

In all cases of force majeure, the party affected shall inform the other party in writing within a maximum of fifteen (15) days, providing all available information and documentation to explain the causes and taking all possible measures to resolve the situation within the shortest possible period.

20.3. If the causes of force majeure are not removed within a period of three (3) months, either party may seek termination of the Service Agreement.

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21. CONFIDENTIALITY

21.1. All information provided by CEPSA to the Provider in connection with any Purchase Orders or Service Agreements, including plans, designs and specifications furnished by CEPSA to the Provider, shall remain the exclusive property of CEPSA and shall be confidential. Accordingly, the Provider undertakes not to disclose such information or to furnish copies or reproductions thereof to third parties without the prior written consent of CEPSA in each case, except where the information may be public knowledge or the Provider may be legally required to make disclosures.

21.2. The Provider shall be responsible for any of its employees or professional advisers that may have had access to this information and shall assure their full compliance with this obligation. CEPSA reserves the right to take the pertinent legal action to defend its interests in relation with any breach of confidentiality.

21.3. The Provider shall not refer to, describe or utilise any material or documents related with Purchase Orders or Service Agreements, including any items that might affect CEPSA's image, such as brands, logos, etc. without CEPSA's prior written consent.

22. DATA PROTECTION

Pursuant to the Spanish Personal Data Protection Act (Basic Law 15/1999 of 13 December) and Royal Decree 1999/1720 of 2007 December, by which the enabling Regulations for the Personal Data Protection Act were approved, the Provider undertakes strictly to comply with the provisions of prevailing data protection legislation.

23. APPLICABLE LEGISLATION

The Contractual Documentation shall be governed by and interpreted in accordance with Spanish law.

24. JURISDICTION

In the event of any dispute or disagreement concerning the interpretation or performance of these General Terms and Conditions for Service Agreements, CEPSA and the Provider waive their right to any other forum and submit to the jurisdiction of the Courts and Tribunals of the City of Madrid.