

LG Energy Solution Lithium-ion Battery Limited Warranty

Effective Date: 28th of November, 2023

enblock C6.5 / enblock C10 / enblock C12 Battery Storage System

This limited warranty (hereinafter "Warranty") specified below applies to LG Energy Solution Lithium-ion batteries and the Accessory Components (hereinafter "Products") supplied by LG Energy Solution, Ltd. (hereinafter "LG Energy Solution") to End-user (hereinafter "Buyer") through Authorized Reseller

1. Purpose

The primary purpose of this Warranty is to clearly define the matters related to warranty policy of Products.

2. Warranty Condition

2-1. Warranty Period

The Performance Warranty for the Products including enblock C Parallel Box accessory shall begin to take effect either (i) on the date of installation or (ii) thirty-six (36) months from the date of manufacture, whichever occurs first.

2-2. Limitation of Warranty scope

LG Energy Solution's liability under this Warranty shall be limited to replacement, repair, refund and compensation. Replaced or repaired Products shall be warranted for the remainder of the original "Term of Performance Warranty". In any event, the replacement shall not justify the renewal of the "Term of Performance Warranty".

2-3. Exclusion of Warranty

Damage to the Products resulting from any of following activities is NOT covered by this Limited Warranty:

- When the "Products" are not manufactured by "LG Energy Solution"
- When the "Products" are transported, stored, installed or wired improperly and in violation of the official installation manual.
- When the "Buyer" disassembles or dismantles the "Products" without prior consent of "LG Energy Solution".
- When a third-party's product or part is assembled or used in combination with "Products" of "LG Energy Solution".
- When the defect occurs or the scope of the defect expands due to improper repair of "Products" carried out by non-approved technician by "LG Energy Solution".
- When a fault occurs in the 'Products' due to the willful misconduct or negligence of the "Buyer".
- When the defect occurs due to the misuse, faulty use, or negligent use of the "Products".
- When the "Buyer" violated Article 7.
- When the "Products" are used with an incompatible (Not Matched) inverter.
- When the 'Products' are used for purposes other than the Application under Article 6.
- When the scope of the defect has expanded because the "Buyer" did not immediately notify "LG Energy Solution" of the defect of the "Products".
- When the "Products" are affected by unusual physical or electrical stresses such as blackout, inrush current, lightning, flood, fire, incidental damage, or etc.
- When the defect occurs in the "Products" due to force majeure events, such as war, riot, civil war, natural disasters, etc., that 'LG Energy Solution' cannot be held responsible for.
- When the "Products" are externally damaged but its performance and function is not affected.
- When the "Buyer" violates applicable laws or regulations of the state, county or local government while using the "Products"
- Other defects not attributable to "LG Energy Solution"
- When the "Products" are NOT purchased and installed by "LG Energy Solution" certified installer.
- When the "Products" are NOT registered on "LG ESS Battery Website". The "Products" which are not registered, must be registered prior to any warranty claim.
- <https://www.lgessbattery.com/eu> (All European Countries)
- <https://www.lgessbattery.com/it> (Italy)
- <https://www.lgessbattery.com/es> (Spain)

- When the “Products” are out of warranty.

2-4. Warranty Claim

Buyer shall contact installer directly for any warranty claims in order to avoid additional problems in the products.

Note. Products are unavailable to protect itself from the self-discharge in condition of shut down mode.

2-5. Exclusion for Failure to Connect to the Internet or Failure to Register the Product (Exclusive to Batteries with RMD)

In order to provide the ‘Warranty’ for the full warranty period as set out in Article 2-1, LG Energy Solution requires the ability to perform the remote firmware updates. These remote updates may interrupt the operation of the ‘Products’ for a short period, but LG Energy Solution can provide important firmware updates when the ‘Products’ are connected to the Internet. When the ‘Products’ are connected to the Internet, it means that you agree with LG Energy Solution to perform the remote updates, without further notice to you.

When the ‘Products’ are not connected to the Internet or not registered in the RESU Monitor website (<http://resumonitor.lgensol.com>), and LG Energy Solution cannot provide important updates for the ‘Products’, LG Energy Solution may not be able to honour the full Warranty period. However, LG Energy Solution will provide the ‘Warranty’ for at least five years notwithstanding lack of registration and/or internet connection. Please also note that the registration process will request you for accepting of collecting personal information.

3. Performance Warranty (Standard)

LG Energy Solution warrants and guarantees that the Product will maintain a minimum of 60% of Nominal Energy until the earlier of (i) the end of the Warranty period (10 years) or (ii) when the aggregate energy throughput is met as set out below, provided that the battery system is operated under normal use in accordance with the specifications and manual provided by LG Energy Solution.

The Performance Warranty will take effect either (i) on the date of installation or (ii) thirty-six (36) months from the date of manufacture, whichever occurs first.

The term “Nominal Energy” herein means the initially rated capacity of the Products as printed on the label of the Products. The precondition of the valid 10year Performance Warranty shall be as follows:

- (i) The ambient temperature during the operation of the Products shall not fall below -10°C or exceed 45°C
- (ii) The energy throughput for (10) years is less than values in table below:

Product Name	Nominal Energy	Energy Throughput
enblock C6.5	6.5kWh	20.0MWh
enblock C10	9.8kWh	30.0MWh
enblock C12	13.0KWh	39.0MWh

Capacity measurement condition

- Ambient temperature: 25~30 °C
- Initial battery temperature from BMS: 25~30 °C
- Charging/discharging method
 - Charge: (0.2)CC/CV (Constant voltage (58.8)V, Cut-off current (0.05)C)
 - Discharge: (0.2)CC (Cut-off voltage (42)V)
 - Current at (0.2)C: (25.2)A (enblock C6.5), (37.8)A (enblock C10)
- Current and voltage measurement at battery DC side

4. Out of Warranty Policy

Products damage which is not caused by seller, LG Energy Solution shall provide charged service, including all the expenses of such as material cost, labor cost, warehouse cost, transportation cost, customs duties, analysis cost, management cost, corporate profits, disposal expense(If necessary) and so on.

5. About Service Products/Parts

Service products/parts are able to be used as new or refurbished condition which performance is equal to or higher than defective Products and guaranteed by LG Energy Solution.

In the event the Products are not available in the market anymore, LG Energy Solution, at its option, may replace it with different kind of product with equivalent functions and performances or refund the remaining annually depreciated value of the purchase price of the Products during the Term of Performance Warranty as the Compensation Scheme below. The purchase price mentioned hereinabove means the list price actually paid by the Buyer for the purchase.

- Compensation Scheme -

- Residual value in [Local Currency] = purchasing price in [Local Currency] / 120 x (120 - Operation time after installation in month)
- No warranty of performance will be provided from the 121st month

6. Claim Payment Policy

Claims under this Warranty must be made by notifying the Authorized Reseller from whom the Product was purchased.

For a Warranty Claim to be processed, it must include following items;

- (1) Proof of the original purchase
- (2) Description of the alleged defect(s) from authorized service center
- (3) The relevant Product's serial number and the initial installation date

Buyers who are unable to contact the Authorized Reseller from whom the Product was purchased should contact LG Energy Solution at the Q&A page of the LG ESS Battery Website

(Old : Partner Portal, <http://www.lgessbattery.com/eu>)

7. Special Exclusions

7-1. Exclusion of Warranties

The Warranty will not apply if the Buyer violates any of the following provisions:

- The "Products" shall not be used in facilities with radiation control, nuclear reactors, and facilities related to nuclear safety or nuclear power uses, as well as facilities that may have direct contact with patients.
- The "Products" shall not be used to power medical devices or life-support equipment.
- The "Products" shall not be used or installed in a location where vibrations may occur. For example, aircraft, ship (vessel, boat, yacht), car or train are not allowed.
- The "Products" shall be used for residential stationary storage applications.

7-2. Exclusion of Incidental or Consequential Damages

To the maximum extent permitted by applicable law, in no event will seller or any of its representatives be liable to 'Buyer' for any incidental or consequential damages arising out of breach of the warranty whether or not the 'Buyer' has been advised of the possibility of such damages.

8. Applicable Countries

This Warranty is applicable only in the countries listed as below, and LG ENERGY SOLUTION is not responsible for any claims against this Warranty made in and/or based on the event occurred in any countries other than listed herein. Due to the limited service scope, this warranty is not applicable in constituent countries of the listed countries.

- Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, United Kingdom

9. Specific Provisions for Countries

The Buyer's rights and remedies under the applicable national legislation, i.e. the rights of the Buyer derived from the purchase contract against LG Energy Solution and/or the Reseller, are not affected by this Warranty. The Buyer is entitled to claim such statutory rights and remedies free of charge. This Warranty applies in addition to the applicable contractual and/or statutory warranty and liability provisions and does not limit any rights and remedies of Buyers against LG Energy

Solution or the Reseller or other mandatory rights and remedies existing under national or European law. In the event of inconsistencies between the provisions of this Warranty and the applicable contractual and/or statutory product defect liability provisions existing under national or European Law, the latter will prevail.

General statement for consumers in the EU: Consumers in the EU are entitled to legal guarantees, as applicable, the conditions of which may vary depending on the EU Member State where the consumer resides.

For consumers in France: Consumers in France are entitled to the legal guarantee against hidden defects in accordance with Articles 1641 to 1648 and 2232 of the French Civil Code and the legal guarantee of conformity in accordance with Articles L.217-4 to L.217-12 of the French Consumer Code.

The consumer is entitled to the guarantee provided by Article 1641 et seq. of the Civil code if the Product is affected by a hidden defect, i.e. making the Product unsuitable for its intended use or that impair its use in such a way that the consumer would not have bought it or would only have given a lesser price for if the consumer had known of the defect. It implies that the consumer did not know that the defect existed at the time the consumer bought the Product. The Buyer is entitled to act on the basis of this guarantee for two years following the discovery of the defect and can choose between the cancellation of the sale or a price reduction, in accordance with Article 1644 of the Civil Code.

Art. 1641 of Civil Code: *“This period shall run from the purchaser’s request to the seller or when the product in question is made available for repair, if such availability is subsequent to the request for intervention. The seller is bound to a guarantee against hidden defects in the thing sold that render it unfit for its intended use, or that so impair its use that the buyer would not have bought it, or would only have given a lesser price for it if he had known of the defects.”*

Art. 1648 of Civil Code: *“An action resulting from prohibitive defects must be brought by the buyer within two years from the discovery of the defect. In the case provided for in Article 1642-1, the buyer must bring the action, under pain of being barred, within the year which follows the date on which the seller can be discharged from apparent vices or defects of conformity.”*

Independently from the Warranty, the consumer is entitled to the legal guarantee of conformity under the conditions of article L. 217-4 et. seq. of the Consumer code. The legal guarantee protects consumer when they buy a Product which is not compliant with its description or suitable for the normally expected use because of compliance defects at the time of the delivery. The consumer has two years from the delivery of a Product to act on the basis of the legal guarantee of conformity. The consumer can ask for the repair or replacement of the Product, except under the provisions of Article L. 217-9 paragraph 2 of the Consumer Code. If repair or replacement of the Product is impossible, the consumer may promptly return the Product to the seller and be entitled to a full refund. During the 24 months following the delivery, the consumer does not have to provide proof of the existence of the alleged defect.

Art. L. 217-4 of the Consumer code: *“The seller shall deliver goods that comply with the contract and is liable for any compliance defects in existence at the time of delivery”.*

Art. L. 217-5 of the Consumer code: *“The seller is also liable for any compliance defects resulting from the packaging, assembly instructions or installation if the seller was responsible for installation under the contract or installation was carried out under his responsibility. The goods comply with the contract:*

1. *If it is suitable for use normally expected of similar goods and if required:*
 - a. *if it corresponds to the description given by the seller and have the qualities that the seller presented to the buyer in the form of a sample or model;*
 - b. *if it presents the qualities which a buyer can legitimately expect given the declarations made by the seller, the manufacturer or its representative, in particular as regards the advertising or labelling;*
2. *Or if it has the characteristics defined by mutual agreement by the parties or is suitable for any special purpose required by the buyer, which was brought to the attention of the seller and that the seller accepted.”*

Art. L. 217-12 of the Consumer code: *“Action resulting from compliance defect is limited to two years after the delivery*

of the good.”

Art. L. 217-16 of the Consumer code: *“Where the purchaser asks the seller, during the period of the commercial guarantee granted to him/her and upon the purchase or repair of a movable property, for a repair covered by the guarantee, and where the product is out of use for at least seven days, this period shall be added to the remaining guarantee period.”*

For consumers in Italy: Consumers in Italy are entitled to the legal guarantee pursuant to the Italian Civil Code and in accordance with Art. 128 et seq. of the Legislative Decree No. 206 of 6 September 2005, the Italian Consumer Code (the so-called “Codice del Consumo”).

Any additional guarantee agreed, including this Warranty, shall not be of prejudice of the consumers’ rights in accordance to the abovementioned law provisions.

The Italian Consumer Code obliges the seller to deliver the consumers goods in conformity with the contract and protects the consumers in the event of the purchase of Products that are defective, malfunctioning or do not respond to the use declared by the seller or to for which the good is generally intended.

Article 128 of the Italian Consumer Code (Scope and definitions):

1. *This Chapter governs certain aspects of contracts of sale and guarantees relating to consumer goods. For these purposes contracts of sale shall be treated in the same way as contracts of exchange and supply, as well as contracts of tender, works and all other contracts for the supply of consumer goods to be manufactured or produced.*
2. *For the purposes of this Chapter*
 - (a) *consumer goods: any movable property, including goods to be assembled, except:*
 - (1) *goods subject to forced sale or otherwise sold by judicial authorities, including by delegation to notaries;*
 - (2) *water and gas, when not packaged for sale in a delimited volume or set quantity*
 - (3) *electricity;*
 - (b) *seller: any public or private natural or legal person who, in the exercise of his trade, business or profession, uses the contracts referred to in paragraph 1;*
 - (c) *‘additional conventional guarantee’ means any undertaking by a seller or producer to the consumer, without additional charge, to reimburse the price paid or to replace, repair or service consumer goods in any other way if they do not meet the conditions set out in the guarantee statement or in the relevant advertising;*
 - (d) *repair: in the case of lack of conformity, the restoration of consumer goods to bring them into conformity with the contract of sale.*
3. *3. The provisions of this Chapter apply to the sale of second-hand consumer goods, taking account of the time of their previous use, but only to defects, which do not result from the normal use of the goods.*

Article 129 of the Italian Consumer Code (Conformity with the contract):

1. *The seller is obliged to deliver to the consumer goods, which conform to the contract of sale.*
2. *Consumer goods are presumed to be in conformity with the contract if, where relevant, the following circumstances exist:*
 - (a) *they are fit for the purpose for which goods of the same type are normally used;*
 - (b) *they conform to the description given by the seller and possess the qualities of the goods which the seller has presented to the consumer as a sample or model;*
 - (c) *they present the quality and performance which are customary in goods of the same type and which the consumer can reasonably expect, taking into account the nature of the goods and, where appropriate, any public statements on the specific characteristics of the goods made about them by the seller, the producer or his agent or representative, particularly in advertising or on labelling;*
 - (d) *they are also fit for the particular purpose intended by the consumer and brought to the knowledge of the seller by the consumer at the time of the conclusion of the contract and accepted by the seller, even by implication.*
4. *There is no lack of conformity if, at the time the contract was entered into, the consumer was aware of the lack of conformity and could not have been unaware of it with ordinary care or if the lack of conformity results from instructions or materials supplied by the consumer.*

5. *The seller shall not be bound by the public declarations referred to in subsection 2(c) where, also as an alternative, he demonstrates that:*

- (a) *was not aware of the statement and could not have known of it with ordinary care;*
- (b) *the statement has been adequately corrected by the time of the conclusion of the contract so as to be known to the consumer;*
- (c) *the decision to purchase the consumer goods was not influenced by the declaration.*

6. *Any lack of conformity resulting from the faulty installation of consumer goods shall be considered as lack of conformity of the goods where the installation is included in the contract of sale and was carried out by the seller or under his responsibility. This shall also apply where the product, intended to be installed by the consumer, is installed by him incorrectly because of a shortcoming in the installation instructions.*

Article 130 of the Italian Consumer Code (Consumer rights):

1. *The seller is liable to the consumer for any lack of conformity existing at the time of delivery of the goods.*

2. *In the event of lack of conformity, the consumer shall be entitled to have the conformity of the goods restored, free of charge, by repair or replacement, in accordance with paragraphs 3, 4, 5 and 6, or to have an appropriate reduction made in the price or the contract terminated, in accordance with paragraphs 7, 8 and 9.*

3. *The consumer may require, at his option, the seller to repair the goods or to replace them, free of charge in either case, unless the remedy requested is objectively impossible or excessively expensive compared with the other.*

4. *For the purposes of para. (3) one of the two remedies is to be regarded as excessively burdensome if it provides unreasonable costs on the seller in comparison with the other, taking into account:*

- (a) *The value the goods would have if there were no lack of conformity;*
- (b) *The extent of the lack of conformity;*
- (c) *Whether the alternative remedy can be completed without significant inconvenience to the consumer.*

5. *Repairs or replacements shall be carried out within a reasonable time from the request and shall not cause significant inconvenience to the consumer, taking into account the nature of the goods and the purpose for which the consumer acquired the goods.*

6. *The expenses referred to in paragraphs 2 and 3 refer to the costs necessary to bring the goods into conformity, in particular with regard to the costs incurred for shipping, labor and materials.*

7. *The consumer may, at his discretion, request an appropriate reduction of the price or termination of the contract in any of the following situations:*

- (a) *Repair and replacement are impossible or prohibitively expensive;*
- (b) *The seller has not repaired or replaced the goods within the reasonable time limit referred to in subsection 5;*
- (c) *The replacement or repair previously carried out caused significant inconvenience to the consumer.*

8. *In determining the amount of the reduction or the sum to be refunded, account shall be taken of the use of the property.*

9. *After the lack of conformity has been notified, the seller may offer the consumer any other available remedy, with the following effects:*

- (a) *Where the consumer has already requested a specific remedy, the seller remains obliged to implement it, with the necessary consequences as regards the running of the reasonable period of time referred to in paragraph 5, unless the consumer accepts the alternative remedy proposed;*
- (b) *Where the consumer has not already requested a specific remedy, the consumer must accept the proposal or reject it by choosing another remedy under this Article.*

10. *A minor lack of conformity for which the remedies of repair or replacement have not been possible or are excessively expensive does not entitle the parties to terminate the contract.*

Article 131 of the Italian Consumer Code (Right of recourse):

1. *Where the final seller is liable to the consumer because of a lack of conformity attributable to an act or omission by the producer, a previous seller in the same chain of distribution or any other intermediary, the final seller shall, unless otherwise agreed or waived, be entitled to pursue remedies against the person or persons liable in the chain of distribution.*

2. *Where the final seller has complied with the remedies exercised by the consumer, he may, within one year from the date of the execution, pursue remedies against the person or persons liable in order to recover the sums supplied.*

Article 132 of the Italian Consumer Code (Terms):

1. *The seller is liable under Article 130 where the lack of conformity manifests itself within two years after delivery of the goods.*
2. *The consumer loses the rights provided for in Article 130(2) if he does not inform the seller of the lack of conformity within two months from the date on which he discovered the lack of conformity. The notification is not necessary if the seller has acknowledged the existence of the defect or concealed it.*
3. *Unless proved otherwise, lack of conformity that becomes manifests itself within six months after delivery of the goods shall be presumed to have existed at that time, unless such a presumption is incompatible with the nature of the goods or the nature of the lack of conformity.*
4. *The action to enforce defects not fraudulently concealed by the seller is time-barred, in any event, within twenty-six months from the delivery of the goods; the consumer who is sued for the execution of the contract may nevertheless always enforce the rights referred to in Article 130(2), provided that the lack of conformity is notified within two months of its discovery and before the expiry of the period referred to in the preceding paragraph.*

Article 133 of the Italian Consumer Code (Conventional guarantee):

1. *A conventional guarantee binds the party offering it in the manner set out in the guarantee statement itself or in the advertising thereof.*
2. *The guarantee shall, by the person offering it, at least indicate:*
 - (a) *a statement that the consumer has rights under this paragraph and that the guarantee is without prejudice to those rights;*
 - (b) *in a clear and comprehensible manner the subject matter of the guarantee and the essential particulars necessary to enforce it, including the duration and territorial scope of the guarantee and the name or firm and the domicile or seat of the person offering it.*
3. *At the consumer's request, the guarantee must be available in writing or on another durable medium accessible to him.*
4. *The guarantee must be written in Italian with characters no less prominent than those of any other language.*
5. *A guarantee that does not meet the requirements set out in paragraphs 2, 3 and 4 shall nevertheless remain valid and the consumer may continue to make use of it and require its application.*

6. Article 134 of the Italian Consumer Code (Mandatory nature of provisions):

1. *Any agreement, prior to the communication of the lack of conformity to the seller, intended to exclude or restrict, even indirectly, the rights recognized by this paragraph is null and void. Nullity may be invoked only by the consumer and may be raised by the court of its own motion.*
7. *In the case of second-hand goods, the parties may limit the duration of the liability referred to a period, which may in no case be less than one year.*
8. *Any contractual term which, by providing that the contract shall be governed by the law of a non-European Union country, has the effect of depriving the consumer of the protection granted under this paragraph where the contract has a close connection with the territory of a Member State of the European Union, shall be null and void.*

Article 135 of the Italian Consumer Code (Protection under other provisions):

1. *The provisions of this Chapter do not exclude or limit the rights conferred on the consumer by other rules of law.*
2. *For matters not provided for in this Title, the provisions of the Civil Code relating to contracts of sale shall apply.*

For consumers in Spain: Consumers in Spain are entitled to a legal Warranty pursuant in accordance with Royal Legislative Decree No. 1/2007, of November 16, approving the revised text of the General Law for the Protection of Consumers and Users and other supplementary laws (the '**Spanish Consumer Code**'). The Spanish Civil code also contains references to the initiation of civil actions for damages.

Any additional Warranty agreed, including this Warranty, shall not be of prejudice of the consumers' rights in accordance to the abovementioned law provisions and are permissible under the Spanish Consumer Code. However, considering the nature of the Products, among the requisites set forth on the subsequent paragraphs, additional warranties must be drafted in Spanish as a minimum and formalized in written form.

The Spanish Consumer Code obliges the seller to deliver the consumers goods in conformity with the contract and protects the consumers in the event of the purchase of Products that are defective, malfunctioning or do not respond to the use declared by the seller or to those uses for which a product is generally intended.

Article 114 of the Spanish Consumer Code (General principles): *“The seller is obliged to deliver to the consumer or user ‘Products’ which conform to the contract, and shall be liable before the consumer for any lack of conformity that may exist at the time the product is delivered”.*

Article 116 of the Spanish Consumer Code (Concurrence of conformity):

a) *“Unless proven otherwise, it shall be understood that ‘Products’ conform with the contract provided that they comply with all the requirements set forth hereafter, unless any of the requirements is not applicable due to the circumstances of the case: They meet the description drawn up by the vendor and possess the product qualities presented to the consumer or user in the form of a sample or model.*

b) *They are suitable for the uses for which ‘Products’ of the same type are usually intended.*

c) *c) They are suitable for any special use requested by the consumer or user, where the seller was informed of this at the time the contract was concluded, provided that the seller has admitted that the product is suitable for such use. They display the typical quality and features of a product of this type which consumers and users have good reason to expect, taking into account the nature of the product and, if any, the public statements made by the vendor, producer or representative thereof, regarding specific features of the product, especially in the advertising or labelling. Sellers shall be under no obligations as a result of such public statements if they can prove that they were not aware or could not reasonably be expected to know of the statement in question, that said statement had been corrected by the time the contract was concluded, or that such statement could not have influenced the decision to purchase the product.*

2. *Lack of conformity resulting from the incorrect installation of the product shall be deemed equivalent to lack of product conformity when installation is included in the contract of sale or supply (...) and has been carried out by the seller or under the responsibility thereof, or by the consumer or user when the defective installation is due to an error in the installation instructions.*

3. *There shall be no liability for lack of conformity which the consumer or user was aware of, or which they could not have reasonably ignored at the time the contract was concluded, or which originates from the materials provided by the consumer or user.”*

Article 118 of the Spanish Consumer Code (consumer rights / legal guarantee): *“Consumers and users have the right to have the product repaired or replaced, to a reduction in price or to the termination of the contract”.*

Article 119 of the Spanish Consumer Code (repair and replacement of the product):

1. *“Should the product not conform to the contract, consumers and users may choose between demanding the repair or the replacement of the product, unless either of these two options is objectively impossible or disproportionate. Both parties [the seller and the consumer] shall abide by the chosen action from such time as the consumer or user informs the seller thereof. The decision of the consumer or user shall be considered without prejudice to the provisions of the following article regarding circumstances in which repair or replacement fail to make the product conform to the contract.*

2. *Forms of remedy which, in comparison to the other, impose unreasonable costs on the seller, shall be considered undue, taking into account the value that the product would have if there was not lack of conformity, the importance of the lack of conformity and whether the alternative form of remedy could be implemented without causing major inconvenience to the consumer or user. In order to determine whether the costs are unreasonable, the expenses corresponding to one form of remedy must also be considerably higher than the expenses corresponding to the other form of remedy”.*

Article 120 of the Spanish Consumer Code (mandatory requisites for repair and replacement):

a) *They shall be free of charge for the consumer and user, including the necessary expenses incurred to rectify the lack of conformity of the product with the contract, especially shipping expenses and costs relating to labor and materials.*

b) *They must be carried out within a reasonable period and without major inconveniences for the consumer or user, taking into account the nature of the ‘Products’ and the purpose for which the consumer or user intended them.*

c) *Repair shall entail the suspension of the calculation of the time limits within the consumer or user may exercise their*

rights. The suspension period shall commence once the consumer or user has placed the product at the disposal of the seller, and shall conclude with the delivery of the repaired product to the consumer or user. During the six months following the delivery of the repaired product, the seller shall be liable for the lack of conformity which gave rise to the repair. For this purpose, any defects that occur in the product and which have the same origin as those that were originally apparent, shall be considered as the same lack of conformity.

d) Following the repair and delivery of the product, if the product continues to fail to conform to the contract, the consumer or user shall be able to demand the replacement of the product, save where this option is undue, the reduction in price, or the termination of the contract. (...)

f) If the replacement does not bring the product into conformity with the contract, consumers and users shall be able to demand that the product is repaired, save where this option is disproportionate, that the price be reduced or the contract terminated.”

Articles 121 and 122 of the Spanish Consumer Code (price reduction and contract termination): “Price reduction and contract terminations shall be applicable, at the choice of the consumer or user, when the latter is unable to demand repair or replacement and in cases where these have not taken place within a reasonable period of time and do not cause major problems for the consumer or user. Contract termination shall not be possible where the lack of conformity is minor. Also, “price reductions shall be proportional to the difference between the value the product would have had at the time of delivery if it had conformed with the contract, and the value of the product actually delivered at said time”.

Article 123 of the Spanish Consumer Code (statute of limitations):

“1. The seller shall be liable for any lack of conformity appearing within a **two-year** period following delivery. (...) Save for evidence to the contrary, it shall be presumed that any lack of conformity appearing within **six months** following the delivery of the product already existed when the item was delivered, except where this presumption is incompatible with the nature of the product or of the lack of conformity. (...)

4. Actions to demand compliance with the provisions of Chapter II of this title [repair, replacement, reduction in price or termination of contract] must be brought within **three years** of the delivery of the product.

5. Consumers and users shall inform the vendor of the lack of conformity within a **two-month period** after becoming aware of this. Failure to comply with this time limit shall not entail the loss of the relevant right to compensation, although consumers and users are nevertheless liable for damages actually caused by the delay in communication. Unless otherwise proven, it shall be understood that this information is communicated by the consumer or user within the established period.”

Article 125 of the Spanish Consumer Code (additional commercial guarantees):

“1. Commercial warranties must be drafted in Spanish as a minimum and, at the request of the consumer or user, in writing or any other durable medium that is directly available and accessible to the consumer or user and suitable for the communication technique employed.

3. The commercial guarantee must expressly set forth: a) the goods or services to which the commercial ‘Warranty’ relates; b) the name and address of the guarantor; c) that the commercial guarantee does not affect the legal rights of the consumer or user in the event of lack of conformity of the contracted ‘Products’; d) the rights, in addition to legal rights, which are conferred on consumers and users as holders of the guarantee; e) the term of duration of the guarantee and its territorial scope; and f) the channels available to consumers and users for initiating claims.

4. The period in which claims may be made to seek for compliance with the provisions of the additional guarantee shall expire **six months** after the end of the guarantee period.”

As the Products under the Warranty are defined as “Long-lasting Products” (as they are “*electric, electrotechnics, electric and information technology and software devices*” pursuant to the second transitional disposition of the Spanish Consumer Code in connection to Royal Decree 1507/2000, of September 1), according to article 126 of the Spanish Consumer Code, commercial guarantees shall in all cases be delivered to the consumer or user in writing or in any other durable medium acceptable by these, containing the minimum provisions above described (see Article 125). They shall expressly state the rights conferred on consumers and users in the event of lack of conformity with the contract and that these are independent of, and compatible with, the commercial guarantee.

In addition, with regards long-lasting Products -such as the Products- the Spanish Consumer Code on its article 126 foresees that:

*"1. Consumers and users shall have the right to a suitable technical service and to the existence of spare parts for a minimum period of **five years** following the date on which the product ceases to be manufactured.*

2. It remains prohibited to increase the price of spare parts when using them in repairs or to charge amounts in excess of the average estimated costs in each sector for labor, shipping or visiting. Invoices shall clearly differentiate between the different items. The price list of spare parts shall be available to the public.

*3. The right to recover 'Products' delivered by the consumer or user to the seller for repair, and actions relating to this right, must be brought within **three years** following delivery. The details that must be recorded by the seller when an item is delivered for repair, and the ways of giving proof of this delivery, shall be established in the applicable laws."*

Article 128 of the Spanish Consumer Code (compensation for damages): *"All injured parties have the right to be compensated under the terms set forth in this Book for damages caused by goods or services. The actions recognized in this Book do not affect the injured party's other rights to be compensated for damages, including pain and suffering, as a consequence of contractual liability, on the grounds of the lack of conformity of goods or services or any other cause of non-performance or defective performance of contract, or of any non-contractual liability which may apply."*

Article 129 of the Spanish Consumer Code (scope of protection): *"1. The liability regime set forth in this book includes personal injuries, including death, and damage to property, provided that these may affect goods or services which are objectively intended for private use or consumption, and have been utilized mainly as such by the injured party."*

Article 130 of the Spanish Consumer Code (ineffectiveness of liability limitation or release clauses): *"The civil liability limitation or release clauses set forth in this book shall be ineffective in respect of the injured party."*

Article 132 of the Spanish Consumer Code (joint and several liability): *"Persons liable for the same damage through the application of this book shall be jointly and severally liable as regards the injured parties. Those who may be liable to the injured party shall have the right to claim for recovery from other parties liable, depending on their involvement in causing the damages."*

Article 133 of the Spanish Consumer Code (third-party intervention): *"Liability as provided for in this book shall not be reduced when damages are caused jointly as a result of a defect in the goods or services and the intervention of a third party. Nevertheless, persons who pay compensation shall be able to claim such part from the third party as corresponds to their involvement in causing the damages."*

Article 135 of the Spanish Consumer Code (general principle on damages for defective products): *"producers shall be liable for damages caused by defects in the 'Products' that they manufacture or import"*

The following legal concepts should also be taken into consideration:

- 'Products' are understood as any movable assets (Article 136 of the Spanish Consumer Code).
- Defective 'Products' are understood as: (i) any product which does not provide safety that it could legitimately be expected to provide, taking all circumstances into account, especially the presentation of the 'Products', its reasonable foreseeable use and the time when it was placed on the market; and (ii) all cases in which 'Products' do not provide the safety normally provided by other models in the same series (Article 137 of the Spanish Consumer Code).
- A producer is understood as: (i) the manufacturer or importer into the European Union of finished 'Products', any components that are built into a finished product and raw materials; (ii) also, if the producer cannot be identified, the product supplier shall be considered as such, unless the injured party can state the identity of the producer or such person as supplied or provided them with the said 'Products' (e.g. the Reseller or the Seller) within the period of **three months**; and (iii) the same rule shall be applicable to imported 'Products', where the product does not give the name of the importer, even when the name of the manufacturer is stated (Article 138 of the Spanish Consumer Code).

Article 140 of the Spanish Consumer Code (causes of release from liability): *"1. Producers shall not be liable if it can be*

proved that: a) they did not put the product into circulation; b) given the circumstances of the case, it may be presumed that the defect did not exist when they put the product into circulation; c) the product was not manufactured for sale or any other form of distribution with an economic purpose, nor was it manufactured, imported, supplied or distributed within the context of a professional or entrepreneurial activity; d) the defect is due to the fact that the product was made in accordance with existing mandatory rules; e) that the state of the art of the scientific and technical knowledge at the time the product entered into circulation meant that the existence of the defect could not be perceived.”.

Article 141 of the Spanish Consumer Code (liability limit): *“The liability of the producer for damages caused by defective ‘Products’ shall comply with the following rules: a) A release of EUR 500 shall be deducted from the amount of compensation for damage to property. b) The producer’s overall civil liability for death and personal injuries caused by identical ‘Products’ with the same defect shall be limited to the sum of EUR 63,106,270.96.”.*

Article 142 of the Spanish Consumer Code (damages to the defective product): *“Property damages to the product itself cannot be indemnified according to the provisions of this chapter. Such damages shall give the injured party the right to compensation in accordance with civil and commercial legislation.”.*

The statute of limitations of actions for the recovery of damages is **three years**, counting from the date the damages were incurred by the injured party, whether due to the product’s defect or for the damage that such defect caused, provided that this was known to the party liable for the damages. Actions seeking the payment of compensations from all other parties liable for damages must be brought within **one year**, counting from the date of compensation payment (Article 143 of the Spanish Consumer Code – statute of limitations).

Article 144 of the Spanish Consumer Code (extinction of liability): *“The recognized rights of the injured party, described in this chapter, shall expire after a period of **ten years** counting from the date on which the specific product that caused the damage was put into circulations, unless the relevant court proceedings are initiated within this period.”.*

Article 145 of the Spanish Consumer Code (culpability of the injured party): *“The liability provided for in this chapter may be reduced or removed depending on the circumstances of the case, if the damage is caused jointly by a product defect and the fault of the injured party or of another individual who shall be civilly liable for said damage.”.*

Article 146 of the Spanish Consumer Code (providers liability): *“Suppliers of defective ‘Products’ shall be liable, as if they were producers, where they have supplied a product in the knowledge of the existence of the defect. In this case, the supplier shall be able to bring an action for recovery against the producer.”.*

Article 1902 of the Spanish Civil Code: *“The one who by action or omission causes damage to another, intervening fault or negligence, is obliged to repair the damage caused.”.* This action to demand civil liability due to the obligations arising from fault or negligence prescribe within **one year** from the time the injured party had knowledge of such fault or negligence (Article 1986 of the Spanish Civil Code).

Article 1903 of the Spanish Civil Code: *“The obligation imposed by the preceding article is enforceable not only for one’s own acts or omissions, but also for those of the persons for whom one is responsible. The liability of this article shall cease when the persons mentioned therein prove that they used all the diligence of a good parent to prevent the damage.”.*

Article 1904 of the Spanish Civil Code: *“The one who pays the damage caused by his dependents can repeat from them what he has paid.”.*

Article 1964 of the Spanish Civil Code: *“Personal actions that do not have a special term prescribe **five years** after performance of the obligation can be demanded. In the case of continuous obligations to do or not to do, the period shall commence each time they are breached.”.*

