



## GENERAL CONDITIONS FOR THE SUPPLY OF GOODS AND SERVICES

### GLOBAL

#### 1. PURPOSE AND EFFECTS

- 1.1 This document governs the relationship between the companies of the **WEG GROUP** (hereinafter "**WEG**") and its **CUSTOMERS** for goods and services (hereinafter the "**CUSTOMER**"), and it shall apply to the supply (hereinafter the "**SUPPLY**") carried out by its establishments and representatives, unless the **WEG** unit in charge of the **SUPPLY** has local **GENERAL CONDITIONS**, in which case the local **GENERAL CONDITIONS** shall prevail.
- 1.2 These **GENERAL CONDITIONS** rule the supply of goods and the provision of services by **WEG**, consisting in its terms as condition for the **SUPPLY**.
- 1.3 In the event that there is an Agreement executed between the Parties for a specific **SUPPLY**, it shall prevail over the documents listed in the following sub clause, whenever there is conflict between them.
- 1.4 The terms established in these **GENERAL CONDITIONS FOR THE SUPPLY OF GOODS AND SERVICES**, in the **WEG TECHNICAL/COMMERCIAL PROPOSAL**, in the **OPERATION, INSTALLATION AND MAINTENANCE MANUALS**, **WEG WARRANTY TERMS** and in the **CUSTOMER'S SPECIFICATIONS** (if any) shall be applicable to the relationship between the parties in respect of the **SUPPLY** and, in the event of conflict between any of their provisions, they shall prevail in the order mentioned above. The acceptance of a proposal from **WEG** to carry out a **SUPPLY** implies the full acceptance of these by the **CUSTOMER**. Nevertheless, the commencement of the **SUPPLY** shall also imply the acceptance of these **GENERAL CONDITIONS** by the **CUSTOMER**, in the event that the proposal has not been formally accepted by the deadline indicated.

- 1.5 The issuance of a purchase order or an equivalent document by the **CUSTOMER** to **WEG** implies in the acceptance, by the **CUSTOMER**, of all clauses and terms of these **GENERAL CONDITIONS** and of the respective **PROPOSAL**. In the event that a Purchase Order issued by the **CUSTOMER** contains provisions in contradiction to the conditions of these **GENERAL CONDITIONS** for **SUPPLY** and the proposal from **WEG**, the latter two shall prevail. The Purchase Orders or equivalent documents presented by the **CUSTOMER** to **WEG** shall only be accepted expressly, and the acceptance due to lapse of time shall be prohibited.

- 1.6 The relationship between the Parties shall be governed by the principles of good faith and reasonableness and, upon contracting the **SUPPLY**, the **CUSTOMER** acknowledges it is bound by this document, being aware and in agreement with all the terms and conditions contemplated in this instrument, declaring it has the technical, financial and legal capacity to contract.

#### 2 OBLIGATIONS OF WEG

- 2.1 To faithfully comply with all technical specifications and commercial conditions of the goods and services being supplied.
- 2.2 To provide a technical warranty within the stipulations of these **GENERAL CONDITIONS**, as well as the specific warranty conditions of the **SUPPLY**, as contemplated in the documents mentioned in sub clauses 1.3 and 1.4 above.
- 2.3 To deliver the goods which are part of the **SUPPLY** packaged, identified and packed in accordance with the standards in force or in special conditions resulting from their technical characteristics and dimensions, when their nature or logistic requirements so demand. Unless otherwise provided in the documentation related to the **SUPPLY**, the deliveries shall be considered contracted as Ex-Works (EXW) Incoterms® (2020), in relation to

the plant where the **SUPPLY** shall be delivered.

**2.4** To evaluate any requirements for changes in the scope of the **SUPPLY** presented by the **CUSTOMER**, informing on its feasibility and the resulting additional costs and changes in deadlines.

**2.5** **WEG** is only liable for compliance with the technical standards expressly listed in the **WEG PROPOSAL**, as well as for those formally requested by the **CUSTOMER** and accepted by **WEG**.

### **3 OBLIGATIONS OF THE CUSTOMER**

**3.1** To pay the amounts negotiated for the **SUPPLY** within the established terms, bearing the effects of its default, without prejudice to **WEG**'s right to suspend its compliance with the deadlines and its obligations until the payments are fully effected by the **CUSTOMER**.

**3.1.1** The conditions provided for above are complementary and do not harm the remaining consequences contemplated in these **GENERAL CONDITIONS** or in the documents mentioned in sub clause 1.4.

**3.2** To comply with any terms or technical conditions it is responsible for, as well as to obtain all legal authorizations for the **SUPPLY** to be carried out, especially those of an environmental or tax nature.

**3.3** In the event that the installation of the **SUPPLY** is negotiated as being **WEG**'s responsibility, the **CUSTOMER** shall make available all logistic equipment necessary for the installation of the **SUPPLY** in its facilities, ensuring that they are within the necessary specifications in respect of the lay out, support point, size of facilities, adequate conditions for the volume and weight of the equipment, as well as providing the necessary conditions for the **SUPPLY** to access the delivery location.

**3.4** In the event that the facilities of the **CUSTOMER** do not offer conditions to receive the **SUPPLY** on the date of delivery initially negotiated, the Parties undertake to negotiate an alternative for storage until the facilities of the

**CUSTOMER** are able to receive the **SUPPLY**, and all costs and expenses arising from the delay shall be fully borne by the **CUSTOMER**, without prejudice to the renegotiation of the terms and conditions originally agreed.

**3.5** In the event that the date of delivery of the **SUPPLY** originally established is unilaterally delayed by request of the **CUSTOMER** or for any other reasons, such as, but not limited to, pending documents, public licenses or logistic problems caused by third parties or by the **CUSTOMER** itself, **WEG** shall be entitled to charge the **CUSTOMER**, at market prices, for the expenses with storage, transport, insurance and maintenance resulting from the permanence of the **SUPPLY** in its facilities or in third parties' deposits for the period beyond what was originally agreed, thus compensating for the costs incurred, but without prejudice to the scheduled payments established by the parties upon contracting the **SUPPLY**, in the interest of preserving the economic balance of the relationship between the parties.

**3.6** To bear with the payments, intermediary of final, related to the events established in the documents listed in sub clauses 1.3 or 1.4, and such events shall be, for collecting purposes, considered ended as soon as **WEG** offers prior notice of such, which shall allow the invoicing of the installment or balance payable in respect of such event, without, however, exempting **WEG** of responsibility for any measures necessary for the **SUPPLY** to be in compliance with the parameters contracted.

**3.7** To monitor the rehearsals and tests on the dates and locations established in the documents listed in sub clauses 1.3 and 1.4 or previously informed by **WEG**, and the absence of representatives of the **CUSTOMER** when such rehearsals and tests are performed shall represent its tacit agreement with the results, as soon as they are informed by **WEG**.

**3.8** In any event, the obtainment of licenses and/or public authorizations which must be issued in the name of the



**CUSTOMER** are the **CUSTOMER's** sole responsibility.

- 3.9** The **CUSTOMER** is responsible for (i) ensuring that all particularities and specific conditions are indicated in the **CUSTOMER's** technical specification and/or are expressly informed in writing upon requesting a quote from **WEG**; and (ii) ensuring that the **CUSTOMER's** technical specification is correct and complete, assuming liability for any error, failure or omission.

#### **4 OBLIGATIONS THE PARTIES**

- 4.1** To bear, each one, for the taxes charged by law in respect of the **SUPPLY**.
- 4.2** To protect the other party from any labor claims filed by its employees and/or third parties in its service, bearing the costs provenly incurred by the other party in its defense.
- 4.3** Considering the bilateral nature of the businesses agreed between the parties, it is established that delays in the payment schedule, delays in the remittance of technical data or in the provision of items for which the **CUSTOMER** is responsible, delays in previous tasks under the **CUSTOMER's** responsibility (structures, bases, platforms, civil works or other elements of the installation site for the Equipment), requests to modify the **SUPPLY** (subject to **WEG's** evaluation and approval), any events hindering or preventing the regular **SUPPLY** which are caused by the **CUSTOMER**, its agents, employees and/or any third party, delays resulting from any act or fact through no fault of **WEG** and fortuitous acts or force majeure events, but not limited to these, shall imply in suspension and/or alteration of the work schedules assumed by **WEG**, at the sole discretion of **WEG**, without any burden or penalties for **WEG** and without the need for a formal notification or communication.

#### **5 WARRANTIES**

- 5.1** The warranty conditions found in this document are supplemented by the specific conditions found in the **WEG**

Technical/Commercial Proposal (if any), in which the particular conditions for each **SUPPLY** are set forth.

- 5.2** The term of warranty for the **SUPPLY** shall be the one mentioned in the **WEG** Technical/Commercial Proposal (if any).
- 5.3** The parties agree that the term of warranty legally guaranteed is contained in the terms of warranty of **WEG** and that they are not cumulative.
- 5.4** In order to benefit from the **SUPPLY** warranty, the **CUSTOMER** must comply with the conditions established in the technical documents of **WEG**, especially those presented in the Product Operation and Maintenance Manual.
- 5.5** The equipment, components, parts and materials whose useful life is shorter than the agreed term of warranty are also excluded from the warranty.
- 5.6** The warranty shall be given as contemplated in this document and in the Terms of Warranty of **WEG**.
- 5.7** The service rendered under warranty shall not extend the terms of warranty of the **SUPPLY**.
- 5.8** The **SUPPLY** warranty shall be adversely affected in the event of default by the **CUSTOMER** in respect of any of its obligations, including lack of payment of the due price.
- 5.9** Defects resulting from inadequate or negligent use, operation and/or installation of the equipment, lack of preventive maintenance, and mechanical or electrical problems arising from external factors or equipment and components not provided by **WEG** shall not be covered by the warranty.
- 5.10** The warranty does not apply if the **CUSTOMER**, on its own initiative, performs modifications to the equipment without prior consent in writing from **WEG**.
- 5.11** The warranty does not cover parts and/or components that, by their nature, are considered as wear parts and/or components. Also, it does not cover defects and/or problems resulting from force majeure events or other causes not attributable to **WEG**, such as, but not limited to: inappropriate storage and

handling, operation and/or maintenance in noncompliance with the instructions provided, accidents, defects in construction works, equipment and/or components not included in **WEG's** scope of **SUPPLY**, as well as influences of a chemical, electrochemical, atmospheric or electrical nature.

**5.12 WEG** shall not be liable for the warranties in the event that the **CUSTOMER** has provided incorrect or imprecise data, and in the event that the **CUSTOMER** has failed to provide data and/or information to **WEG**.

## **6 ECONOMIC BALANCE**

**6.1** The price of the **SUPPLY** shall be revised in cases of economic/financial imbalance of the payments of each of the parties in the event of any excessive burden, especially in cases of changes in tax legislation that create or modify taxes or other legal obligations, as well as other economic measures that unbalance the relationship between the parties in respect of the **SUPPLY**.

## **7 CIVIL LIABILITY AND PENALTIES**

**7.1** The **CUSTOMER** is exempted from liability for personal or material damages suffered by the staff of **WEG** or by third parties while the **SUPPLY** is carried out, which were not caused by the **CUSTOMER**. **WEG** is liable for damages caused to the **CUSTOMER**, resulting from its exclusive fault, in compliance with the remaining provisions of these **GENERAL CONDITIONS**.

**7.2** The **CUSTOMER** declares to **WEG** that the application, operation and functioning of the object of the **SUPPLY** will be carried out in compliance with the best existing practices and techniques.

**7.3** In the event of a sudden interruption or a loss of performance of the **SUPPLY**, whether due to failure or need for maintenance/replacement, the **CUSTOMER** shall take measures and precautions intended to minimize, work around or neutralize the effects of such event.

**7.4** The Parties establish that the total cumulative amount of the indemnifications and penalties to be applied to **WEG**, individually or totaled, shall be limited to a maximum of 10% (ten percent) of the value of the **SUPPLY**, and also that the penalties which might be applied shall be of a compensatory and releasing nature, and the **CUSTOMER** shall not claim or demand any other financial compensation.

**7.5** Any amounts received by the **CUSTOMER** as insurance compensation for events related to the **SUPPLY** shall be deducted from the indemnity maximum mentioned in the previous sub clause upon calculation of the amounts payable.

**7.6** Under no circumstances shall **WEG** be liable for the reimbursement of lost profits, indirect or consequential damages, such as, but not limited to, revenue losses, production losses and capital cost of the **CUSTOMER**, its successors, its customers, agents, officers, directors, shareholders and employees, even if proven.

**7.7** **WEG's** liability is restricted to the scope of its **SUPPLY** and in the event of participation of third parties rendering services to the **CUSTOMER** in a certain project such as, for example, consortia, large construction works or similar, there shall be no joint liability between **WEG** and the third parties directly or indirectly contracted by the **CUSTOMER**, and **WEG** shall be exempt from all and any liability in relation to interfaces between the **SUPPLY** and other supplies, installations and/or equipment of the **CUSTOMER**, but not limited to it.

**7.8** **WEG** shall not be liable for damages resulting from an inadequate physical area provided by the **CUSTOMER** to hold the **SUPPLY**, or from the storage and watch of the **SUPPLY** in the facilities of the **CUSTOMER** or of third parties, the **CUSTOMER** being in charge of providing access conditions for the **SUPPLY** through public or private roads up to the agreed place of

delivery when these do not offer traffic conditions for the **SUPPLY**.

- 7.9 The Parties acknowledge that the limitation and other conditions of civil liability, dealt with in this clause, were fundamental and relevant to determine the price of the **SUPPLY**, for which reason they shall prevail over any other provisions to the contrary.

## 8 DOMAIN RESERVATION AND TRANSFER OF RISK AND OWNERSHIP

- 8.1 When the payments related to the **SUPPLY** are made in installments or after the date of its delivery, the same will be recorded as a domain reservation in favor of **WEG**, a condition that will end with the full payment of the price by the **CUSTOMER**.
- 8.2 Except for those cases in which the **SUPPLY** consists only in the rendering of services, the transfer of risk to the **CUSTOMER** shall occur in the terms of the respective applicable INCOTERM® or, in its absence, upon delivery of the **SUPPLY** at **WEG**'s plant.
- 8.3 Unless otherwise provided in the remaining documents connected to the business, the transfer of property shall occur after the full payment by the **CUSTOMER** of the price agreed in the **PROPOSAL** and the delivery of the **SUPPLY**, or as indicated in the **PROPOSAL**.

## 9 INTELLECTUAL PROPERTY

- 9.1 No provision in these **GENERAL CONDITIONS** shall be construed, under any circumstances, as assignment, transfer, granting and/or licensing of the intellectual property rights of **WEG** to the **CUSTOMER**, of any nature and for any reason whatsoever.
- 9.2 Licensing, of any nature, including software, or any other transactions involving intellectual property rights shall always be governed by contracts, terms of use or specific agreements.
- 9.3 Software licenses or licenses for the use of cloud computing services ARE NOT PART OF THE SUPPLY AND SHALL ALWAYS BE contracted

independently, governed by their own terms and conditions, even if any given good, from a given **SUPPLY**, ships a software or interacts with a software or cloud service provided or made available by **WEG**.

- 9.4 The violation of intellectual property rights of **WEG** shall result in the application of civil and criminal penalties, contemplated in the applicable legislation, without prejudice to **WEG**'s right to claim reimbursement for losses and damages of any nature.

## 10 PERSONAL DATA PROTECTION

- 10.1 Whenever the **SUPPLY** implies in processing personal data, the Parties shall observe and comply with the applicable personal data protection legislation or currently existing or supervening regulatory standards, which may be subsequently edited and are applicable to the protection of personal data, and shall provide sufficient technical and organization safety measures to protect the data against the accidental or unlawful destruction and accidental loss, modification, disclosure or unauthorized access, and against all other illegal forms of processing.
- 10.2 Any security incidents which might occur during the processing of personal data related to the **SUPPLY** must be immediately notified to the other Party as soon as there is awareness of the fact.
- 10.3 During activities that involve personal data sharing, the **CUSTOMER**, when transferring personal data to **WEG**, declares it has lawfully and legitimately obtained and carried out the processing of such data, and that it has a valid legal basis to perform such transfer.
- 10.4 **WEG** shall not be obliged to share personal data with the **CUSTOMER** in the absence of a legal basis to support the data sharing activity.

## 11 FORCE MAJEURE

- 11.1 The parties shall not be held liable for noncompliance with their obligations in the event of a fortuitous act or an



event of force majeure, but the party claiming such an event must prove it.

**11.2** The **CUSTOMER** is aware and accepts that under no circumstances it may claim a fortuitous act or an event of force majeure to exempt itself or limit its obligation to pay the price, in the conditions and manners determined for the **SUPPLY**.

## **12 TERMINATION, NOVATION AND ASSIGNMENT**

**12.1** The **SUPPLY** may be terminated by the party provenly harmed by an infringement, committed by the other party, to the terms of the documents listed in sub clause 1.4 and/or in these **GENERAL CONDITIONS**, as long as the party sends prior notice to the party at fault, informing of its default, and also gives a period of 20 (twenty) business days for it to remedy the infringement.

**12.2** The **SUPPLY** may be terminated by **WEG** - without prejudice to other applicable cases - in the event that the **CUSTOMER** delays payment for a period equal to or in excess of 30 (thirty) days, upon sending a notification written by **WEG** to the **CUSTOMER**, in which case the **CUSTOMER** shall bear with the rescission fine of the 10% (ten per cent) of the value of the **SUPPLY**, and with the amounts related to legal fees and court expenses which may be necessary.

**12.3** In any case of termination (including an event of force majeure), the parties shall settle their accounts, considering the fraction of the goods provided and services rendered according to the agreement and the expenses resulting from the termination, and if there is any amount due to one of the parties, such amount shall be paid at the occasion of the termination and **WEG** shall be allowed to offset amounts owed by the **CUSTOMER**.

**12.4** The tolerance of the parties in relation to any infringements to these **GENERAL CONDITIONS** and to the documents listed in sub clause 1.4 shall not result in a novation of their terms.

**12.5** The total or partial assignment of the **SUPPLY**, by **WEG** or by the **CUSTOMER**, shall only take place through a formal agreement between the Parties. Notwithstanding the provisions in this item, the **CUSTOMER** authorizes **WEG** to assign the rights and obligations related to the **SUPPLY** to companies belonging to the economic group of **WEG**.

## **13 CONFIDENTIALITY**

**13.1** The Parties undertake to treat as confidential all technical and commercial details, know-how, data of the industrial process and others, belonging to one another, to which they may have access.

**13.2** The **CUSTOMER** undertakes not to mention **WEG**'s name, publish photos or publicity involving the **SUPPLY**, without express prior consent from **WEG**.

## **14 EXPORT CONTROL**

**14.1** The **CUSTOMER** shall comply with all laws, regulations, orders, embargoes and other applicable export restrictions in order to obtain all necessary export licenses. Upon written request by **WEG**, the **CUSTOMER** shall provide to **WEG** all information and data proving the compliance, by the **CUSTOMER**, with all foreign trade regulations applicable to the **SUPPLY**.

**14.2** It is the sole responsibility of the **CUSTOMER** to comply with the foreign trade regulations applicable to the **SUPPLY**, such as the number on the export control list and the Classification Number in accordance with the United States Commerce Control List.

## **15 ANTI-CORRUPTION PRACTICES AND COMPLIANCE WITH APPLICABLE LAWS**

**15.1** The parties represent that the commercial negotiations which resulted in contracting the **SUPPLY** were carried out within the usual market conditions and practices and the principles of good faith. They also declare that none of the parties and persons involved in these

negotiations obtained any kind of personal advantage, in particular bribe, graft or donation, among others.

**15.2** In the event that any of the parties becomes aware of personal favoring in this transaction, as described above, even after this **SUPPLY** is concluded, it is obliged to immediately inform the other party in order to allow the appropriate investigation.

**15.3** The **CUSTOMER** represents and warrants, for itself, its subsidiaries and/or its representatives, that: (i) It complies and shall continue to comply, throughout the duration of the **SUPPLY**, with the applicable anti-corruption norms and regulations and that it is not involved in any act of corruption, whether by participation of public representatives, public companies, private companies or political parties; (ii) it is not involved and shall not engage in money laundering activities, terrorism or activities in violation or the universal human rights; (iii) it respects the applicable norms and regulations for economic embargoes and sanctions, both local and international ("**ECONOMIC SANCTIONS**") and its not subject to **ECONOMIC SANCTIONS** restricting the present **SUPPLY**.

**15.3.1** The violation of any of the above representations by the **CUSTOMER** shall be fair cause for immediate termination of the **SUPPLY** by **WEG**, without prejudice to the indemnifications due to **WEG**, including for damages to its image.

**15.4** The **CUSTOMER** acknowledges that the **SUPPLY** is subject to compliance with the applicable laws, rules and regulations in respect of the **ECONOMIC SANCTIONS**, and **WEG**'s refusal to fulfill its obligations towards the **CUSTOMER**, due to the **economic sanctions**, shall not consist in default.

## **16 FINAL DELIBERATIONS**

**16.1** In the event that there is specific insurance coverage for the **SUPPLY**, the **CUSTOMER** shall undertake to employ best efforts and techniques in order to ensure, directly and indirectly,

that the covered goods are operated and stored in compliance with the norms (especially the technical recommendations provided by **WEG**), and any damage shall be subject to a determination of liability.

**16.2** In the event that any provision of this document is revoked by law or judicial decision, the remaining provisions shall remain in full force.

**16.3** In the event of damages to the insured goods, the **CUSTOMER** undertakes to inform **WEG** within no longer than 3 (three) days, under penalty of losing its rights to the applicable indemnifications.

**16.4** Any document related to the **SUPPLY**, including those listed in sub clauses 1.3 and 1.4, may be electronically signed, using legally valid signature platforms. If the documents are electronically signed, the Parties agree and declare that they consider the electronic means used to perform the signatures trustworthy, admitting the method to prove authorship and integrity as valid, and accepting it.

**16.5** The relationship between the Parties and the jurisdiction for resolution of disputes shall be defined based on the applicable legislation in the location of the **WEG** Unit responsible for the **SUPPLY**.

**16.6** The **CUSTOMER** declares it had the opportunity to examine these **GENERAL CONDITIONS**, including with any legal support/counsel, and to present its comments, if any, acknowledging that any deviations shall only be valid if formalized in writing, in a specific document signed by both Parties.

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