

GENERAL CONDITIONS FOR SUPPLY OF GOODS

1. PURPOSE AND EFFECTS

- 1.1. These General Conditions for Supply (hereinafter “**GENERAL CONDITIONS**”) governs the relationship between **WEG GROUP AFRICA (PTY) LTD** and/or any of its subsidiaries or affiliates (hereinafter “**WEG**”) with its CUSTOMERS (hereinafter the “**CUSTOMER**”) on the supply of goods (hereinafter the “**GOODS**”) carried out by WEG, its establishments and representatives (hereinafter the “**SUPPLY**”).
- 1.2. Upon agreeing to the SUPPLY, the CUSTOMER acknowledges it is bound by this document and warrants it has the technical, financial and legal capacity to contract the SUPPLY.
- 1.3. Hereinafter CUSTOMER and WEG shall be individually referred to as PARTY and jointly as PARTIES.

2. DOCUMENTS APPLICABLE TO THE SUPPLY

- 2.1. The documents listed below (hereinafter the “**APPLICABLE DOCUMENTS**”) compose and are an integral part of the SUPPLY. The preference order of documents, if there’s a conflict between their provisions, is as follows:
 - a) Agreement executed by the PARTIES (if any),
 - b) GENERAL CONDITIONS
 - c) Technical/commercial proposal and/or quotation issued by WEG (hereinafter the “**PROPOSAL**”)
 - d) WEG Technical Manual and Instructions
 - e) Purchase Order
- 2.2. The order above described refers only to those provisions which are in conflict and do not exclude or substitute any of the listed documents.

3. DOCUMENTS’ ACCEPTANCE

- 3.1. These GENERAL CONDITIONS shall be deemed agreed and accepted by the CUSTOMER when:
 - a) The CUSTOMER accepts a PROPOSAL/QUOTATION/BUDGET QUOTE.
 - b) If the SUPPLY is initiated, regardless if the PROPOSAL has been signed by the CUSTOMER.
 - c) The CUSTOMER issues a purchase order or an equivalent document to WEG.
- 3.2. If the CUSTOMER issues a purchase order to WEG, the PROPOSAL shall be deemed accepted, regardless if it have been signed by the CUSTOMER.
- 3.3. The purchase order or equivalent documents presented by the CUSTOMER to WEG can only be deemed accepted if the acceptance is made in writing by WEG.
- 3.4. The PROPOSAL is subject to the availability of the GOODS and subject to correction of good faith errors by WEG and the prices quoted are subject to any increases in the cost price, including currency fluctuations, of WEG before acceptance of the Order.

4. WEG OBLIGATIONS

- 4.1. WEG undertakes towards the CUSTOMER:
 - a) To comply with the SUPPLY.
 - b) To evaluate any requirements for changes in the scope of the SUPPLY notified by the CUSTOMER, and inform the CUSTOMER the additional costs and changes in deadlines to comply with the mentioned requirements.
 - c) To deliver the goods or supply as agreed by the Parties.

5. CUSTOMER’S OBLIGATIONS

- 5.1. CUSTOMER undertakes towards WEG:
 - a) To pay for the SUPPLY in accordance with the payment term established APPLICABLE DOCUMENTS, bearing the effects of its default under the law, these GENERAL CONDITIONS and/or in the APPLICABLE DOCUMENTS, without prejudice to WEG’s right to suspend the agreed deadlines and its obligations until the payments are fully performed by the CUSTOMER, charging the CUSTOMER with the suspension costs.
 - b) To comply with the GENERAL CONDITIONS and technical conditions under CUSTOMER’s responsibility, as well as to obtain all legal authorizations and/or licenses applicable to the SUPPLY that are under the

CUSTOMER's responsibility, especially those of an environmental or tax nature and those that need to be issued in the name of the CUSTOMER, if any.

- c) In the event that the delivery and/or installation of the SUPPLY is WEG's responsibility, to 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 layout, support point, size of facilities, adequate conditions for the volume and weight of the SUPPLY, as well as providing the necessary conditions for the SUPPLY to access the delivery location and the installation location. CUSTOMER shall sign all documents required as proof of delivery.
- d) If payment milestones are applicable, payment shall be made within 5 (five) days from date of invoice.
- e) To pay the amounts related to the events established in the APPLICABLE DOCUMENTS within 30 (thirty) days from date of invoice, and such payments shall be due upon WEG notification of the fulfillment of the agreed milestone, which shall allow the invoicing of the installment or balance payable in respect of such milestone.
- f) To ensure that all conditions and information indicated in the CUSTOMER's technical specification and/or submitted in writing to WEG are correct and complete, being liable for any error, failure or omission at the referred conditions and information.
- g) That the application, operation and functioning of the GOODS will be carried out in compliance with the best existing practices and techniques, as well as in compliance with WEG's instructions.
- h) To comply with the agreed SUPPLY schedule established at the APPLICABLE DOCUMENTS, and to evaluate the documents submitted by WEG in a period no longer than 10 (ten) working days, except when another term is agreed between the PARTIES.
- i) To be liable for a late administration cost fee of 3% and a late payment penalty fee of 2% per month for all delayed payments.
- j) To be liable for VAT as per VAT Act 89 of 1991 and applicable regulations.
- k) In the event of damage to the insured GOODS, inform WEG within three (3) working days.
- l) To assume all risks and exposures related to the exchange rate or fluctuation of currency.

6. PARTIES' OBLIGATIONS

6.1. Both PARTIES equally undertakes towards the other to:

- a) Bear the applicable taxes charged by law in respect of the SUPPLY.
- b) To indemnify, defend and hold one another harmless from any direct damages and all claims, liabilities and causes of action for injury to or death of any person, or for damage to or destruction of property to the extent resulting from any and all negligent acts or omissions of the defaulting Party.

7. TECHNICAL WARRANTY

- 7.1. The technical warranty conditions for the GOODS will be defined in this document and or in the PROPOSAL and or in WEG Technical Manuals and Instructions only.
- 7.2. The term of warranty legally guaranteed is already contained in the technical warranty granted by WEG and they are not cumulative.
- 7.3. In order to benefit from the GOODS technical warranty, the CUSTOMER must comply with the conditions established in the APPLICABLE DOCUMENTS, especially those presented in the WEG Technical Manual and Instructions.

8. STORAGE

- 8.1. Without prejudice to clause 5.1(d), in the event that the date of delivery of the GOODS originally established is delayed by reasons not as result of WEG or for any reason attributable to the CUSTOMER, or in the event that the facilities of the CUSTOMER do not offer conditions to receive the GOODS on the date of delivery, the CUSTOMER is aware and agree that the GOODS shall be stored at its own risk at another facility or at WEG's facility, at WEG's discretion.
- 8.2. All costs and expenses for such storage shall be fully borne by the CUSTOMER, without prejudice to the renegotiation of the terms and conditions of the SUPPLY originally agreed.

9. LIABILITY, PENALTIES AND INDEMNITIES

- 9.1. 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.
- 9.2. Under no circumstances shall WEG be liable towards the CUSTOMER for any damage arising from the SUPPLY, specially from the misuse, abuse or neglect of the Products GOODS by the CUSTOMER, its staff and/or agents.

- 9.3. The PARTIES establish that the total cumulative amount of the indemnifications, if any, 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.
- 9.4. The prices given by WEG shall not bear penalties for late delivery.
- 9.5. Any amounts received by the CUSTOMER as insurance compensation for events related to the SUPPLY shall be deducted from the maximum indemnification established in clause 11.3 upon calculation of the amounts payable.
- 9.6. Under no circumstances shall WEG be liable for the reimbursement of loss of 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.
- 9.7. WEG's total 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, consortium, 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 exempted from all and any liability in relation to interfaces between the SUPPLY and other supplies, installations and/or equipment of the CUSTOMER.
- 9.8. 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 the surveillance 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.
- 9.9. Delays in the CUSTOMER's obligations, 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, will entitle WEG to suspend and/or modify the SUPPLY schedules at its sole discretion, without any burden or penalties and with no need for a formal notification or communication to the CUSTOMER.
- 9.10. Returns, cancellations and any change of orders will not be automatically accepted by WEG. The new price will consist of the cost evaluation for every return, cancellation or change on the orders will be added to a minimum handling fee of ten (10%) of the GOODS's price, to be paid by the CUSTOMER to WEG.
- 9.11. The PARTIES acknowledge that the limitation and other conditions of civil liability dealt within 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.
- 9.12. It is the sole responsibility of the CUSTOMER to determine that the GOODS are suitable for the purposes of intended use and WEG will not be liable for the CUSTOMER's incorrect specification given to WEG.

10. TRANSFER OF RISK AND OWNERSHIP

- 10.1. The transfer of risk of the GOODS to the CUSTOMER shall occur in the terms of the applicable and agreed INCOTERM® or, in its absence, date when the GOODS/SUPPLY leave WEG premises.
- 10.2. Unless otherwise provided in the remaining documents connected to the SUPPLY, the transfer of ownership shall only 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.

11. INTELLECTUAL PROPERTY

- 11.1. No provision in the APPLICABLE DOCUMENTS 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.
- 11.2. Licensing, of any nature, including software, or any other transactions involving intellectual property rights shall always be governed by specific contracts and terms of use.
- 11.3. 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 GOODS, from a given SUPPLY, ships a software or interacts with a software or cloud service provided or made available by WEG.
- 11.4. 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.



12. PERSONAL DATA PROTECTION

- 12.1. Whenever the SUPPLY requires processing personal data, the PARTIES shall observe and comply with the applicable personal data protection legislation Protection of Personal Information Act, 4 of 2013 “POPI Act” and 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.
- 12.2. The PARTIES shall comply with the laws relating to the processing and protection of personal data.
- 12.3. 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.
- 12.4. 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.
- 12.5. 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.

13. FORCE MAJEURE

- 13.1. The PARTIES shall not be held liable for non-compliance with their obligations in the event of force majeure event that prevent the PARTIES from complying with contractual obligation, unexpected act or an event of force majeure, and but the PARTY claiming such an event must prove it.
- 13.2. The CUSTOMER is aware and accepts that under no circumstances may it claim unexpected act or an event of force majeure to exempt itself or limit its obligation to pay amounts due to WEG in the conditions and manners determined for the SUPPLY.

14. TERMINATION

- 14.1. WEG reserves the right to cancel any accepted Order immediately in the event the Customer breaches one of its material obligations under that accepted Order and does not remedy the same within 30 (thirty) calendar days after notice of such breach, in which case the CUSTOMER shall bear with the price of the SUPPLY already performed by WEG, the costs and expenses that cannot be cancelled by WEG in relation to the SUPPLY, a termination fee of ten per cent (10%) of the price of the SUPPLY, as well as the reimbursement of legal fees and court expenses which may be necessary in order to collect any payment by WEG.
- 14.2. If either PARTY becomes or is declared insolvent or bankrupt, or otherwise is the subject of any proceedings relating to its liquidation or insolvency, the other PARTY may, by giving prior written notice to terminate the SUPPLY as of a date specified in such notice.
15. No Order or part Order may be cancelled by the CUSTOMER without the written agreement of WEG.

16. CONFIDENTIALITY

- 16.1. Each PARTY undertakes to treat as confidential all technical and commercial details of the SUPPLY, including but not limited to know-how, manufacturing data and other information belonging to the other PARTY to which they may have access.
- 16.2. The CUSTOMER undertakes not to mention WEG’s name, nor publish photos or exhibiting the SUPPLY, without express prior consent from WEG.

17. SOCIAL LIABILITY

- 17.1. The CUSTOMER warrants that it does not use and does not tolerate child labor and any kind of forced labor in its activities and/or in third parties’ activities, mainly its subsidiaries, shareholders, partners, clients and other third parties.
- 17.2. The CUSTOMER commits to comply with all applicable labor and tax legislation and develop internal non-discriminating policies in accordance with the local laws and international rules and standards.
- 17.3. The CUSTOMER declares and warrants that the GOODS and/or SERVICES shall not be used for illegal purposes.
- 17.4. Any breach of the terms of this clause by the CUSTOMER shall give WEG the right to immediately terminate the SUPPLY, and the CUSTOMER agrees to indemnify WEG from any losses arising out of such breach and any damage caused thereof.



18. EXPORT CONTROL

- 18.1. 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.
- 18.2. 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 conditions as set out in the International Trade Administration Act, No 71 of 2002

19. ANTI-CORRUPTION PRACTICES AND COMPLIANCE WITH APPLICABLE LAWS

- 19.1. The PARTIES represent that all negotiations which resulted in the SUPPLY and any agreement between the PARTIES were carried out within the usual market conditions and practices and within principles of good faith and at arm's length. They also declare that none of the PARTIES and persons involved in these negotiations obtained any kind of personal advantage, in particular bribe, or donation, among others.
- 19.2. In the event that any of the PARTIES becomes aware of personal advantage in the negotiations, 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.
- 19.3. 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 of human rights; (iii) it respects the applicable norms and regulations for economic embargoes and sanctions, both local and international ("ECONOMIC SANCTIONS") and it is not subject to ECONOMIC SANCTIONS which restrict the present SUPPLY.
- 19.4. Any breach by the CUSTOMER of the aforementioned warranties shall be deemed a material breach and WEG shall be entitled to immediately terminate any agreement with the CUSTOMER or, at its sole discretion, suspend the performance of the SUPPLY until the breach is remedied. In case of termination or suspension by this clause, 19. 4, WEG reserves its rights to any other remedies and/or indemnities available, including any indemnification for damages to WEG's image.

20. GENERAL DELIBERATIONS

- 20.1. If any provision of this document is changed or revoked by law or judicial decision, the other provisions shall remain in full force.
- 20.2. Any document related to the SUPPLY, including APPLICABLE DOCUMENTS, 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.
- 20.3. The tolerance of the PARTIES in relation to any infringements to these GENERAL CONDITIONS and to the APPLICABLE DOCUMENTS shall not result in a novation of their terms.
- 20.4. 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 CUSTOMER authorizes WEG to assign the rights and obligations related to the SUPPLY to companies belonging to WEG Group.
- 20.5. These GENERAL CONDITIONS for SUPPLY and the APPLICABLE DOCUMENTS are interpreted and governed by the laws of South Africa and shall be interpreted in terms of English language.
- 20.6. Nothing contained in this clause shall preclude WEG from seeking urgent relief from any competent court.
- 20.7. All the South African courts will have exclusive jurisdiction over the SUPPLY.
- 20.8. The CUSTOMER hereby gives consent to WEG to conduct the relevant credit vetting and checks required to grant any credit facility.

20.9. The CUSTOMER declares that, it fully understands these GENERAL CONDITIONS and accepts the contents thereof.