

## GENERAL CONDITIONS FOR THE SUPPLY OF GOODS AND SERVICES

### 1. PURPOSE AND EFFECTS

- 1.1. These General Conditions for the Supply of Goods and Services (hereinafter “**GENERAL CONDITIONS**”) governs the relationship between **WEG GROUP AFRICA (PTY) LTD** and/or any of its subsidiaries and affiliates (hereinafter “**WEG**”) with its CUSTOMERS (hereinafter the “**CUSTOMER**”), on the supply of goods (hereinafter the “**GOODS**”) and the provision of services (hereinafter the “**SERVICES**”) carried out by WEG, its establishments and representatives (hereinafter the “**SUPPLY**”).
- 1.2. In addition, the relationship between the Parties shall be governed by the principles of good faith and reasonableness and, upon agreeing to the SUPPLY, the CUSTOMER acknowledges it is bound by this document and warrants that 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**”) comprise and are an integral part of the SUPPLY. If there’s a conflict between the provisions of any of the documents listed hereunder, the following order of precedence will apply in the order presented below:
  - a) Agreement executed by the PARTIES (if any);
  - b) General Condition;
  - c) Technical/commercial SUPPLY, tender SUPPLY and/or quotation issued by WEG (hereinafter the “**SUPPLY**”)
  - d) WEG Technical Manual and Instructions; and
  - e) Customer’s specification (if any).
- 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 AND COMMENCEMENT DATE

- 3.1. These GENERAL CONDITIONS shall be deemed agreed and accepted by the CUSTOMER when:
  - a) The CUSTOMER accepts a SUPPLY/QUOTATION/BUDGET QUOTE.
  - b) If the SUPPLY is initiated, regardless if the SUPPLY 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 SUPPLY shall be deemed accepted, regardless if it has not 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 SUPPLY will be initiated accordingly with the milestone previously defined in the SUPPLY.

### 4. WEG OBLIGATIONS

- 4.1. WEG undertakes towards the CUSTOMER:
  - a) To comply with the contract.
  - b) To comply with the SUPPLY and warranty as provided in the SUPPLY.
  - c) To deliver the GOODS in accordance with the delivery terms defined in the SUPPLY.
  - d) 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 mentioned requirements.

## 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 within 30 (thirty) days from date of invoice, 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 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, without, however, exempting WEG of responsibility for any measures necessary for the SUPPLY to be in compliance with the parameters agreed.
- f) To attend the testing of the SUPPLY on the dates and locations agreed by the PARTIES or previously informed by WEG. The absence of the CUSTOMER representatives at inspections shall be deemed to accept the test results as issued by WEG.
- g) 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.
- h) 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, as well as in compliance with WEG's instructions.
- i) 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.
- j) To be liable for a late administration cost fee and a late payment penalty fee of 2% per month for all delayed payments.
- k) To be liable for VAT as per VAT Act 89 of 1991 and applicable regulations.
- l) In the event that there is specific insurance coverage for the SUPPLY, to employ best efforts and techniques in order to ensure that the covered GOODS are operated and stored in compliance with the insurance rules (especially the technical recommendations provided by WEG), and any damage shall be subject to an evaluation of the liability.
- m) In the event of damage to the insured GOODS, inform WEG within 3 (three) working days.
- n) To assume all risks and exposures related to the exchange rate or fluctuation of currency rate.

## 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) Defend and hold harmless the other PARTY from any direct damages labor claim filed by its employees and/or third parties in its service, as well as the costs and expenses arising thereof.



## 7. TECHNICAL WARRANTY

- 7.1. The technical warranty conditions for the GOODS will be defined in this document or in the SUPPLY 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.
- 7.4. The equipment, components, parts and materials whose useful life is shorter than the term of warranty granted by WEG is also excluded from the technical warranty.
- 7.5. The repair and/or replacement of any component or equipment performed under the technical warranty will not extend the term of warranty established in the SUPPLY.
- 7.6. The technical warranty will not be effective or will be suspended in the event of default by the CUSTOMER in respect of any of its obligations, including non-payment.
- 7.7. The technical warranty will not apply to 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 by equipment and components not provided by WEG.
- 7.8. The technical warranty does not apply if the CUSTOMER, on its own initiative, performs modifications to the GOODS without prior consent in writing from WEG.
- 7.9. The technical warranty does not apply to 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 by WEG, 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.
- 7.10. WEG shall not be liable for the warranties in the event that the CUSTOMER has provided incorrect or imprecise data, as well as if the CUSTOMER has failed to provide data and/or information to WEG.
- 7.11. No warranty is applicable to SERVICES.

## 8. AUDIT AND INSPECTION


- 8.1. Any audit or inspection conducted by the CUSTOMER to the SUPPLY shall only be performed upon prior agreement of date confirmed by WEG, term and scope of inspection, in compliance with all applicable legislation, including any data protection law applicable, as well as in compliance with all confidentiality obligation between the PARTIES and any third PARTIES. The audit or inspection shall be no longer than 2 (two) working days, except when another term has been agreed between the PARTIES.
- 8.2. When at the premises of WEG, the CUSTOMER shall: (i) know and comply with the internal rules and working hours of WEG; (ii) always be accompanied of WEG designated personnel; (iii) carry and use appropriately the necessary security equipment; (iv) require prior and specific authorization for each image and/or sound record intended to be made; (v) respect the provisions of the WEG Code of Ethics, available at [static.weg.net/medias/hf8/h9e/WEG-code-of-ethics-english.pdf](http://static.weg.net/medias/hf8/h9e/WEG-code-of-ethics-english.pdf).
- 8.3. Upon justification, WEG may require a substitution of the CUSTOMER's representative who will visit WEG's premises.

## 9. STORAGE

- 9.1. 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. All costs and expenses for such storage, such as, but not limited to, transport, insurance and maintenance, resulting from the permanence of the GOODS in its facilities or in third parties' warehouse, shall be fully borne by the CUSTOMER, without prejudice to the renegotiation of the terms and conditions of the SUPPLY originally agreed.




## 10. ECONOMIC IMBALANCE

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- 10.1. The price of the SUPPLY shall be reviewed in case of economic/financial imbalance 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.



## 11. CIVIL LIABILITY, PENALTIES AND INDEMNITIES

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- 11.1. 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.
- 11.2. Subject to clause 11.3, WEG is only liable for direct damage caused to the CUSTOMER resulting from its exclusive fault.
- 11.3. The PARTIES establish that the total cumulative amount of the indemnifications and penalties, if any, to be applied to WEG, individually or totaled, shall be limited to a maximum of 10% (ten percent) . 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.
- 11.4. 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.
- 11.5. 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.
- 11.6. 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.
- 11.7. 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.
- 11.8. WEG is only liable for compliance with the technical norms expressly listed in the WEG SUPPLY, as well as for those formally requested by the CUSTOMER and formally accepted by WEG.
- 11.9. 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.
- 11.10. Any changes on the SUPPLY will not be automatically accepted by WEG. On the request by the CUSTOMER, WEG may analyse the costs and submit a SUPPLY which shall be accepted by CUSTOMER before WEG proceeds with the SUPPLY change.
- 11.11. 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.

## 12. TRANSFER OF RISK AND OWNERSHIP

- 12.1. 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, the date when the GOODS/SUPPLY is loaded for transportation at WEG premises. .
- 12.2. 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 SUPPLY and the delivery of the

SUPPLY, or as indicated in the SUPPLY. If the CUSTOMER takes over any part of the WORK, then completion will be deemed to have occurred.

### **13. INTELLECTUAL PROPERTY**

- 13.1. 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.
- 13.2. 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.
- 13.3. 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.
- 13.4. 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.

### **14. PERSONAL DATA PROTECTION**

- 14.1. 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.
- 14.2. The PARTIES shall comply with the laws relating to the processing and protection of personal data.
- 14.3. 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.
- 14.4. 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.
- 14.5. 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.

### **15. FORCE MAJEURE**

- 15.1. 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.
- 15.2. The CUSTOMER is aware and accepts that under no circumstances may it claim an unexpected 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.

### **16. TERMINATION**

- 16.1. WEG shall be entitled to terminate these GENERAL CONDITIONS by giving the CUSTOMER not less that 30 (thirty) days written notice.
- 16.2. Unless otherwise agreed by the PARTIES, The SUPPLY will be terminated by WEG in the event that the CUSTOMER delays payment for a period equal to or higher than thirty (30) days, upon prior notification to the CUSTOMER, in which case the CUSTOMER shall bear the proven costs of the SUPPLY, the costs and expenses that cannot be cancelled by WEG in relation to the SUPPLY, a minimum 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.

16.3. 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 thereof to the non-terminating party, terminate the SUPPLY as of a date specified in such notice.

16.4. In any case of termination (including an event of force majeure), the PARTIES shall balance their accounts, considering the part of the SUPPLY provided and services rendered according to the APPLICABLE DOCUMENTS 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 termination and WEG shall be allowed to offset amounts owed by the CUSTOMER.

## **17. CONFIDENTIALITY**

17.1. 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.

17.2. The CUSTOMER undertakes not to mention WEG's name, nor publish photos or publicity involving the SUPPLY, without express prior consent from WEG.

## **18. SOCIAL LIABILITY**

18.1. 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.

18.2. 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.

18.3. The CUSTOMER declares and warrants that the GOODS and/or SERVICES shall not be used for illegal purposes.

18.4. 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 direct losses arising out of such breach and any damage caused thereof.

## **19. EXPORT CONTROL**

19.1. 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.

19.2. 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.

## **20. ANTI-CORRUPTION PRACTICES AND COMPLIANCE WITH APPLICABLE LAWS**

20.1. 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. 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.

20.2. 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.

20.3. 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.

20.4. 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.

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

## **21. GENERAL DELIBERATIONS**

21.1. If any provision of this document is changed or revoked by law or judicial decision, the other provisions shall remain in full force.

21.2. 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.

21.3. 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.

21.4. 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.

21.5. These GENERAL CONDITIONS and the APPLICABLE DOCUMENTS are interpreted and governed by the laws of South Africa and shall be interpreted in terms English language.

21.6. If a dispute arises out of or is related to these general terms and conditions or the breach hereof, the PARTIES shall endeavor to resolve such dispute through direct negotiation between the senior management of both PARTIES. If the senior management is not able to resolve such disputes within ten (10) business days, then the matter shall be referred to arbitration in accordance with the rules of Arbitration Foundation of Southern Africa (AFSA). The seat of the Arbitration shall be Johannesburg, South Africa. The arbitration proceedings shall be conducted in English.

21.7. CUSTOMER shall be liable to pay legal costs and arbitration costs.

21.8. Nothing contained in this clause shall preclude WEG from seeking urgent relief from any competent court.

21.9. All the South African courts will have exclusive jurisdiction over the SUPPLY.

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

21.11. The CUSTOMER hereby gives consent to WEG to conduct the relevant credit vetting and checks required to grant any credit facility.

21.12. WEG at its discretion, shall have the right of requesting SURETYSHIP to be signed by the CUSTOMER.