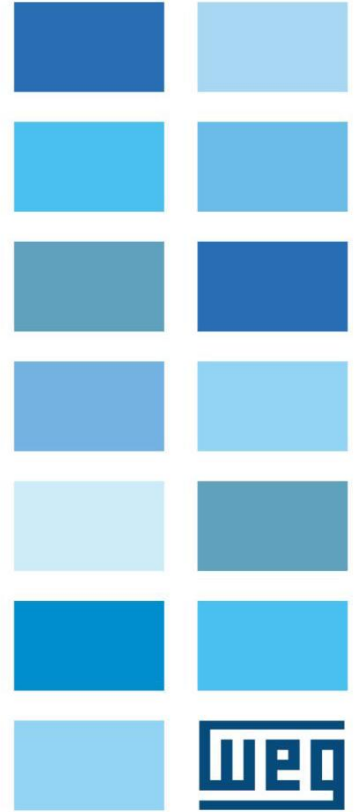
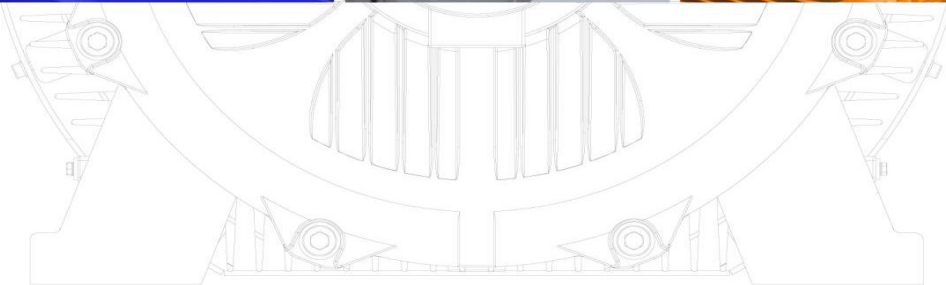
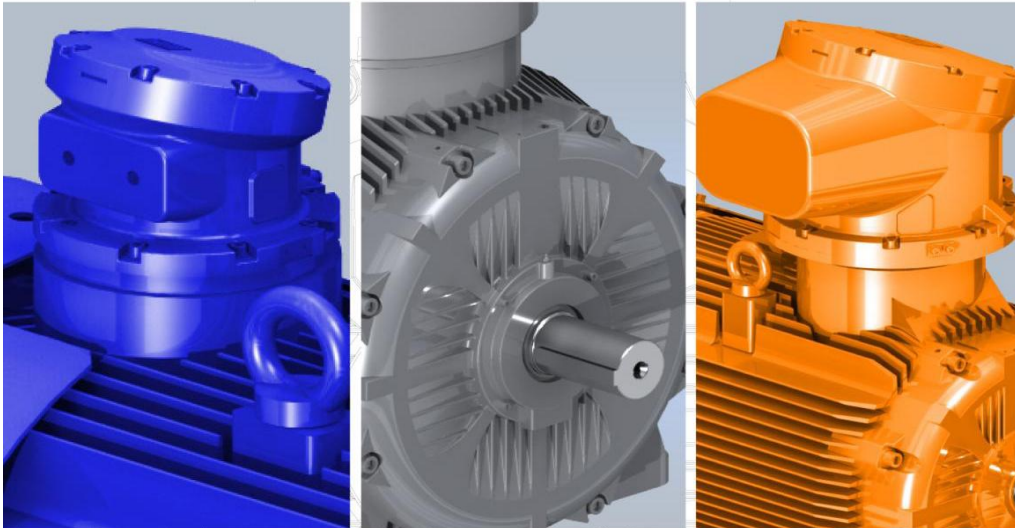
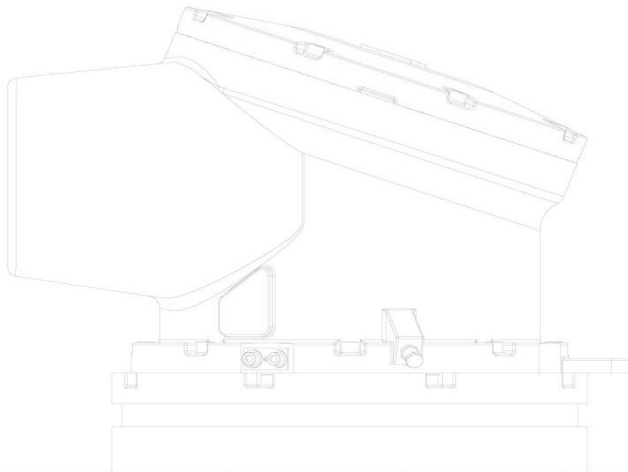


# General Conditions of Sale - CGV-E-07\_03 - Rev.1



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The General Conditions of Sale as set forth herein shall govern the execution of the Supply Agreement made between WEGeuro – Indústria Eléctrica, S.A., hereinafter called "SUPPLIER" and the buyer, hereinafter called "BUYER". Any other eventual special conditions previously agreed upon between the parties in writing shall maintain their validity.

## 1. GENERAL

1.1. Supply shall be defined in the Order Confirmation issued by the SUPPLIER and therefore any modifications introduced by the BUYER shall not be valid unless agreed upon, in writing, by the SUPPLIER.

1.2. Total or partial non-fulfillment of the contract due to a reason outside SUPPLIER's control or will or due to "force majeure", does not constitute ground for liability nor obligation to compensate the BUYER for any resulting damages.

*§ Force Majeure means declarations of war, revolution, mobilization, partial strike, shutting down or interrupting work in warehouses, workshops or factories of constructors or their suppliers as a result of fires, floods, machine breakdown, road blocking, as well as purchasing, transport or import difficulties duly accounted for, or power cuts not imputable to constructors or their suppliers.*

1.3. The total or partial transfer of liability to third parties of the contracted supply shall only be valid after prior agreement by the parties, in writing.

1.4. The SUPPLIER reserves the right to suspend manufacturing or to cancel supply whenever the circumstances so justify, namely:

- a) Due to non-fulfillment of the conditions agreed upon with the BUYER;
- b) In cases where dates of delivery are not met due to reasons not imputable to the SUPPLIER;
- c) Non-fulfillment of one or more obligations by the BUYER which, due to the amount or circumstances, show that it is impossible for the debtor to fulfill his obligations;
- d) The BUYER's or the BUYER's representative's flight or abandoning headquarters or the offices where his main activity takes place;
- e) The deviation or loss of assets, false credits or any other procedure indicating that the BUYER is in a situation that precludes him from fulfilling his obligations in due time.

1.5. The international regulations (INCOTERMS) of the International Chamber of Commerce stated on the contract shall be applied to the interpretation of the contracted conditions of supply.

1.6. The documents supplied to BUYER – leaflets, technical documents with specifications, dimensions and weights – shall only be deemed to be considered as information – unless otherwise stated. However, the specifications or drawings related to manufacturing shall not be provided to BUYER's.

1.7. Whatever the written documents supplied to BUYER under the form of detailed investigation, projects, reports, calculations, specifications of patents, drawings, schemes or others, are the exclusive property of SUPPLIER and may not under any circumstances be disclosed to third parties without the prior consent of SUPPLIER in writing.

1.8. SUPPLIER is only obliged to fulfill obligations undertaken by duly authorized representatives.

## 2. PRICES

Unless otherwise stated, the price given refers to the material ordered, within the period of validity of the proposal and at the BUYER's disposition at the SUPPLIER's plant.

2.1. The price for contracted supply may be subject to adjustments, according to the formula and conditions previously agreed upon and stated in the Order Confirmation.

2.2. The invoices concerning the various contractual obligations shall be accompanied by invoices concerning provisory adjustments using the quoted indices known at the time they are issued. Consequently the invoice with the final adjustment and the necessary corrections shall be issued on the date the supply is concluded.

2.3. As far as contracts with fixed prices are concerned the SUPPLIER reserves the right to make adjustments to those prices whenever delivery dates are extended because of the BUYER, whenever there are considerable changes to economic factors, or whenever the BUYER makes changes to the supply limit.

2.4. Before an order is accepted and confirmed the SUPPLIER may change prices and other commercial conditions referred to in the leaflets and price lists issued.

2.5. Unless otherwise expressly stated, the price quoted does not include VAT (Value Added Tax).

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### 3. DELIVERY DATES

3.1. The delivery dates for the contracted supplies are those stated in the Order Confirmation, understood as EX-WORKS, presuppose that when they start to be counted the order has been completely defined and the BUYER commercial obligations fulfilled; this is to say that the advanced payments must already have been made.

3.2. Delivery dates will automatically be suspended if the BUYER does not fulfill the obligations arising from contractual conditions in the period indicated by the SUPPLIER.

3.3. Contractual delivery dates will equally be suspended whenever the BUYER:

- a) Does not send specifications or technical information which is his responsibility in the scope of the contract, or sends them too late.
- b) Does not approve the specifications or technical documents inherent to the contract.
- c) Does not answer questions or doubts that may arise out of changes asked for by the BUYER or out of request for clarification by the SUPPLIER concerning manufacturing ambiguities or difficulties.
- d) Sends accessories or components too late, which are part of his contractual responsibilities and are to be incorporated during manufacturing, or sends non-compliant accessories and components.

3.4. This suspension shall be considered imputable to the BUYER and shall not mean any charges or responsibilities for the SUPPLIER.

3.5. The delivery dates stated in the Order Confirmation will be revised whenever during the execution of an order there are cases of force majeure such as those established in 1.2, or for any other reasons not imputable to the SUPPLIER.

3.6. Supply is considered to have been concluded with the issue of the corresponding definitive invoice, or by means of a written notice to the BUYER informing that the material is at his disposal.

### 4. CONDITIONS OF PAYMENT

4.1. Payment shall be made by the BUYER at the headquarters of the SUPPLIER, according to the conditions stated in the Order Confirmation.

4.2. In case payment has not been made according to the terms stated in 4.1, the BUYER shall be obliged to pay interest for a complete month or fraction of the month in delay, at the annual rate of 12%.

4.3. All supplies are made with reserve to their property in favour of the SUPPLIER until full payment of the contractual amount has been made, even in the cases of payment by means of bill of exchange, and the BUYER undertakes responsibility for being the depository of the material supplied by the SUPPLIER, until the debt has been fully settled.

4.4. In the event of non-payment of any contractual obligation the SUPPLIER reserves the right to suspend supply or terminate the contract. In such an event the amounts already paid shall be used for compensation and liquidation of expenses incurred by the SUPPLIER with the order, notwithstanding any other compensation that the SUPPLIER may have the right to claim.

4.5. Under no circumstances shall payments be delayed, even in the case of litigation; in such a case interest will be charged as under the terms of 4.2.

4.6. Orders below € 100 (one hundred Euros) shall only be accepted if payment is made before delivery.

### 5. PENALTIES

5.1. The only criteria for application of penalties due to delay in delivery, clearly imputable to the SUPPLIER, shall be 0.5% of the amount correspondent to the specific product in delay, applicable to every full week of delay from the 3rd week on, up to a maximum of 5% of the amount correspondent to the specific product in delay.

5.2. However, these penalties shall only apply if it is clearly proved that the delay caused real and direct damage to the BUYER.

5.3. The exceptions to the application of penalties are the situations described in paragraphs 1.2, 3.2 and 3.3.

### 6. TRANSPORT

6.1. Unless otherwise stated in the Order Confirmation, transport is to be at the cost and risk of the BUYER and the material is at his disposal at the door of the SUPPLIER factories or warehouses. The BUYER is responsible for loading goods for a maximum period of 10 working days from the date of the SUPPLIER notice or invoice.

6.2. After this period, storage costs of the material shall be transferred to the BUYER, at a weekly rate of 5% of the amount of the contract.

6.3. In the cases where transport of the material is the responsibility of the SUPPLIER, unloading at the place indicated shall be at the cost and risk of the BUYER, who shall ensure all necessary means and resources for the operation.

6.4. For the purposes of warranty the BUYER shall, under all circumstances, be responsible for storing the material in a place that guarantees conditions of safety and conservation.

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### 7. WARRANTY

7.1. SUPPLIER's product Warranty covers design faults, manufacturing defects and installation mistakes imputable to the SUPPLIER and it consists of repairing free of charge or replacing the faulty parts, at the SUPPLIER's facilities or any other place indicated by the SUPPLIER.

7.2. Warranty does not cover any costs related to uncoupling, electrical disconnection, handling, logistics and transport of components or complete equipment to and from the SUPPLIER facilities or any other place indicated by the SUPPLIER.

7.3. Charges or damages associated with loss of business or any other compensation to the BUYER or third parties are also excluded from this product Warranty.

7.4. Warranty is limited exclusively to materials supplied by the SUPPLIER and does not cover replacements resulting from abnormal use of the equipment.

7.5. Repair or replacement of parts during warranty period or under Warranty does not constitute a reason for extending the initial warranty period.

7.6. Warranty period is eighteen (18) months from start-up date and ceases definitively twenty four (24) months after the date the product is at the BUYER's disposal in the SUPPLIER facilities.

7.7. Repairs or replacements made during warranty period by the BUYER or third parties without the SUPPLIER's prior consent, in writing, shall immediately and definitively cease the validity of Warranty of the product supplied.

7.8. Works carried out at the BUYER's request under his supervision are not covered by any Warranty.

### 8. LIABILITY

8.1. In case of accident the SUPPLIER's liability is limited exclusively to damages caused by its personnel or personnel contracted by the SUPPLIER, by the materials which are the object of supply and eventually by machines or auxiliary equipment necessary to carry out works used by them within the scope of the contract.

8.2. The parties may transfer their rights and obligations arising from the legislation in force, after prior and express agreement between them in writing.

### 9. LITIGATION

In case of litigation and whenever settlement it is not possible by means of an Arbitration Court, only the Court of the District of Maia shall be competent for trial. The applicable law shall be the Portuguese Law.



### **WEGeuro – Indústria Eléctrica, S.A.**

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