1. GENERAL CONDITIONS

1.1. Supply of parts, equipment and systems (hereinafter jointly referred to as “Supplies”) by HMI – AUTOMAÇÃO E INSTRUMENTAÇÃO, Ltda. (hereinafter referred to as “HMI”) shall be governed by these General Supply Conditions (hereinafter referred to as “General Conditions”), except when otherwise agreed by means of a proposal submitted to the Buyer by HMI (hereinafter referred to as “Proposal”), or upon acceptance by HMI of an order placed by the Buyer, based on a Proposal (hereinafter referred to as “Order Acceptance” and “Order”, respectively), whose conditions shall be considered as Special Conditions relative to these General Conditions. Any other conditions not expressly agreed with HMI shall not be valid.

1.2. The Buyer shall be considered to have been informed of these General Conditions from the moment they receive information concerning the website where they are available, regardless of whether or not such information is provided together with a copy of these General Conditions. Alternatively, it shall be considered, for all applicable purposes, that the Buyer has been informed of these General Conditions when placing an Order if they have previously received them within the scope of their business relationship with HMI.

2. INTELLECTUAL AND INDUSTRIAL PROPERTY

All intellectual and/or industrial property rights associated with the Proposal and/or concerning all the terms included therein and concerning all the terms, conditions and information annexed thereto, including technical documents, engineering information, procedures, plans, designs, software, etc., provided with or pertaining to the Supplies, are held by HMI or their suppliers. Accordingly, the Buyer shall not be allowed to reproduce these items, totally or partly, or provide them to any third parties without the prior written authorization of HMI, and shall only be allowed to use such information for the express purposes of the corresponding Order.

3. PLACING OF ORDERS AND SCOPE OF SUPPLIES

3.1. The scope of Supplies shall be clearly specified in the corresponding Order. All Orders must be Accepted prior to fulfillment, with the exception of those pertaining to regular Supplies, whose terms and conditions must be clearly defined and accepted by HMI upon signature of the corresponding agreement, in which this requirement is expressly excluded by the Parties.

3.2. Supplies shall only include the parts, equipment and/or systems specified in the Order and upon Order Acceptance, with the exception of cases where additional documents, information or services have been expressly included in the Order accepted by HMI. If any modifications to the scope of the Supplies included in the Order and/or agreed upon Order Acceptance, proposed by any of the Parties, must be submitted to the other Party in writing and shall only be valid and effective once expressly accepted by the other Party.

4. PRICES

4.1. Supply prices do not include VAT or any other taxes or rates, which shall be charged upon invoicing, at the applicable rates. Unless otherwise defined in the Order or agreed in writing between HMI and the Buyer, prices shall not include packing, transportation, loading and unloading, or insurance fees, and shall be deemed equivalent to the price of goods as delivered at the HMI warehouse. Prices shall only be valid for the series of items specified in the Proposal.

4.2. All prices included in proposals preceding the Order and Order Acceptance shall be valid for one month and shall be fixed during this period, according to the payment conditions defined, unless the Supplies in question include imported equipment, whose prices are likely to be affected by fluctuations in exchange rates, or applicable taxes and duties, in which case prices shall be adjusted accordingly.

4.3. All prices included in the Proposal shall only be valid considering the payment conditions defined therein. Prices shall be reviewed in case of any changes to the payment conditions.

4.4. After Acceptance, prices shall be fixed and not subject to review. However, prices may be reviewed in any of the following circumstances:

   a) The review in question is expressly agreed between HMI and the Buyer;
   b) Delivery and receiving of the Supplies is delayed for a reason directly or indirectly attributable to the Buyer, in which case the corresponding price shall be updated according to the consumer price index published by the Portuguese Statistics Institute and the corresponding rate for the period elapsed between the date of delay and the payment date shall apply.
   c) The scope of Supplies is changed at the Buyer’s request, in which case the corresponding price shall be updated according to the changes made, based on the unit prices mentioned in point 1 of this clause.
   d) Prices are not expressed in Euros and exchange rates suffer changes between the date of Acceptance and the agreed dates for issuing of the invoices corresponding to the various Supply stages, in which case prices shall be adjusted accordingly.

5. PAYMENT CONDITIONS

5.1. Payment conditions shall be as defined in the Proposal and/or Order and/or upon Order Acceptance. Payment conditions previously agreed within the scope of a continuous business relationship between the Buyer and HMI may also apply.

5.2. Orders whose net value is equal to or lower than €300.00 (three hundred euros) must be paid in full before being fulfilled.

5.3. Payments are required to be made into the HMI bank account, or by any other means agreed, under the terms agreed, without any deductions, such as tax withholdings not previously agreed, discounts, expenses, taxes, duties or any other rates, and shall only be effective once the corresponding amount has been fully and irreversibly credited to the HMI bank account.

5.4. If any payment is delayed, the Buyer shall be obliged, with no additional formalities being required, to pay interest to HMI, from the due date of the invoice, corresponding to the 1-month EURIBOR rate plus 1 percent (1%), where the former shall be as published by the European Banking Federation and the Financial Markets Association on the second business day after the date on which interest started to be incurred. Payment of interest by the Buyer shall not exempt them from paying any other amounts due, under the terms agreed.

5.5. In case of failure by the Buyer to make the payments agreed with HMI on the due dates, the latter shall be entitled to interrupt the delivery of the corresponding Supplies, or the provision of any associated services, or even to discontinue their delivery, without prejudice to the obligation by the Buyer to pay all amounts due to HMI, as well as additional compensation for the aforementioned interruption or discontinuation, on a suitable date.

5.6. Submission of any complaints by the Buyer shall not exempt them from their payment obligations, or entitle them to make any deductions to the amounts due, unless such deductions are legally determined, or it is agreed that the part, equipment or system that originated the complaint was effectively faulty, in which case any eventual failure to pay by the Buyer shall be acted upon according to the general regulations applicable to non-compliances.
6. DELIVERY DEADLINES AND CONDITIONS
6.1. Delivery deadlines and conditions shall be as specified upon Order Acceptance. In case no delivery conditions are specified, delivery shall be considered as taking place at HMI warehouse or office. In case of failure by the Buyer to comply with the corresponding payment obligations, HMI shall no longer be obliged to comply with the agreed delivery deadlines.
6.2. Delivery deadlines can be changed in the following circumstances:
   a) Failure by the Buyer to return all documents required for Order fulfillment to HMI in a timely manner;
   b) HMI considers that a change to the delivery deadline is required as a result of an Order change requested by the Buyer and accepted by HMI;
   c) Failure by the Buyer, or any of their subcontractors, to perform any specific tasks required before delivery of the Supplies in a timely manner;
   d) Failure by the Buyer to comply with any obligations defined in the Order accepted by HMI, particularly those concerning payment;
   e) In case of any unpredictable events or circumstances outside the control of HMI that may prevent or delay the delivery of Supplies as scheduled, including, although not limited to, supplier, transport or service strikes; failure by third parties to supply goods and/or provide services; transport system failures; floods; storms; disturbances; sabotage; and unplanned HMI or subcontractor stoppages due to failures, natural disasters, wars, whether declared or not, civil or with foreign countries, terrorist attacks or guerrilla fighting, mutiny, sabotage, explosions, earthquakes, equipment failure or lack of any required materials to fulfil agreement obligations, extensive military mobilisation, insurrection, requisition, embargo, restrictions in the use of power, or failure or delays by subcontractors caused by Force Majeure, amongst others.
6.3. In case of delay in delivering the Supplies directly attributable to HMI, the Buyer shall be entitled to apply the penalty previously agreed with the supplier. This penalty shall be the sole compensation to which the Buyer shall be entitled in these circumstances, even if the delay in question turns into an effective non-compliance and the agreement is terminated, excluding cases of fraud or serious misconduct.

7. PACKING AND TRANSPORTATION
7.1. Unless otherwise agreed between the Parties, additional fees shall be charged for material and equipment packaging, whose return shall not be allowed. As a generator of non-municipal packaging waste, the Buyer shall be responsible for the corresponding recovery, under the terms of article 4, point 7, of Decree-Law 366-A/97, of 20 December, as changed by Decree-Law 162/2000, of 27 July, Decree-Law 92/2006, of 25 May, and Decree-Law 178/2006, of 5 September.
7.2. Unless otherwise agreed, the Buyer shall be solely responsible for the transportation of Supplies, including loading and unloading; accordingly, HMI shall not be liable for any losses or damages to Supplies resulting from transportation.
7.3. If equipment is ready for delivery or, alternatively, waiting for previously agreed tests to be performed, and the Buyer fails to collect it or to reach an agreement with HMI for the corresponding storage at the premises of HMI, under the conditions specifically agreed for this purpose, the Buyer shall be responsible for all storage expenses and risks to the products in question during the storage period.

8. INDUSTRIAL SAFETY AND COORDINATION
8.1. The Buyer shall be exclusively responsible for each and every occupational health and safety measure eventually required, in addition to being responsible for all information provided concerning the risks associated with the premises where the contracted tasks will be carried out, as well as for defining the measures to be adopted in case of emergency. The Buyer shall also be responsible for ensuring coordination with any contracted works that might be carried out simultaneously, as well as for providing any required clarifications and training.
8.2. The Buyer shall ensure that all accident prevention measures required will be adopted and that all relevant Occupational Hygiene & Safety standards, regulations and codes of conduct, both local and international, will be observed. Amongst other objectives, this obligation aims to ensure that all lifting equipment, such as hoists, cranes and overhead rails, complies with the applicable legislation and is maintained in good safety conditions. The Buyer shall provide all assistance required if any HMI employee suffers any accident or illness.
8.3. The Buyer’s safety officer or employee responsible for safety must be present at the Buyer’s premises while the Supplies are being delivered.
8.4. HMI employees shall be entitled to inspect the Buyer’s premises for compliance with hygiene and safety standards, whenever deemed necessary. If the premises are found to be unsafe, or HMI considers it is not safe to deliver the Supplies, HMI shall be entitled to interrupt their delivery, or the fulfilment of the corresponding agreement, being automatically granted a reasonable extension for delivering the Supplies in question. In these circumstances, it shall be considered that HMI has not infringed the agreement, nor shall HMI be liable for any delays before the Buyer, which shall be obliged to compensate HMI proportionally to the tasks completed until the aforementioned interruption.

9. INSPECTION AND ACCEPTANCE
9.1. Unless otherwise indicated in the Order or upon Order Acceptance, HMI shall be responsible for performing all inspections and tests required during production, as well as the final inspection required before delivery of the products supplied. Any additional inspections or tests required by the Buyer must be specified in the Order, together with the applicable standards, location and competent entity. Prior approval by HMI shall be required for all additional tests, which shall be performed at the Buyer’s expense.
9.2. The Buyer shall be required to check all Supplies within 15 business days of the corresponding delivery and to immediately inform HMI of any faults and/or failures attributable to the latter.
9.3. If any faults and/or failures attributable to the HMI are found, the latter shall adopt all corrective measures required.
9.4. Unless other conditions and/or dates have been agreed between the Parties and stipulated in the Order and/or upon Order Acceptance, failure by the Buyer to communicate any faults and/or failures to HMI within 15 days of delivery of the Supplies shall be understood as their acceptance by the Buyer and the warranty period shall start counting.
9.5. It shall be considered that the Supplies have been accepted if the tests required for acceptance have not been performed according to the deadlines agreed, for reasons not attributable to HMI, or if the Buyer starts using the Supplies before performing the aforementioned tests.

10. RETURNS AND COMPLAINTS
10.1. Under no circumstances shall HMI accept any returned materials whose return has not been specifically agreed between the Parties, with the exception of defective materials. A deadline of 15 days from delivery of the Supplies shall be set for (i) the Buyer to inform HMI of their intention to return the Supplies, in which case the corresponding justification must be provided; and (ii) the Buyer to reach an agreement with HMI concerning the manner in which the Supplies will be returned. All complaints must be justified, clear and submitted to HMI in writing.
11. WARRANTIES

11.1. Unless otherwise indicated in the Proposal or upon Order Acceptance, HMI shall offer a warranty period of one year on all parts, equipment and systems supplied, against all material, manufacturing and installation defects, counting from the date on which the Supplies are accepted, whether expressly (successful completion of the final inspection agreed between HMI and the Buyer, followed by an acceptance letter concerning the Supplies in question) or tacitly (absence of any written communication from the Buyer informing HMI of any non-compliances within 15 days of delivery; failure to perform the required tests, according to the deadlines agreed, for reasons not attributable to HMI, or if the Supplies start being used by the Buyer, in which case it shall be considered that the Supplies have been accepted, under the terms defined in clause 9.4), or 18 months from the date on which Supplies are ready for delivery, whichever occurs first.

11.2. The Buyer shall be required to communicate any defect covered by this warranty to HMI in writing.

11.3. Faulty components covered by the warranty stipulated in point 1 of this clause shall be repaired or replaced (as decided by HMI), regardless of whether the defects found are related to the materials, manufacturing process or installation, without prejudice to any other compensation to which the Buyer may be legally entitled. Repairs shall be carried out at the premises of HMI. The Buyer shall be responsible for all dismantling, packing, loading and transportation costs, associated with the sending of faulty Supplies to HMI and the corresponding return, as well as any applicable customs duties, taxes and rates. However, repairs may be performed at the Buyer’s premises if this is agreed between the Parties.

11.4. Repair or replacement of faulty components on any parts, equipment or systems supplied shall not entail any changes to the warranty period applicable to the Supplies, as a whole, which shall be as defined in point 1 of this clause. However, the warranty period for repaired or replaced components shall start counting from the corresponding date of repair or replacement.

11.5. Whenever a faulty component covered by the warranty stipulated in point 1 of this clause is replaced and such replacement is required urgently, the Buyer shall assume the obligation of sending the faulty part or component to HMI within 7 days from the corresponding delivery date. If the replaced part or component is not returned, HMI shall charge the Buyer the corresponding catalogue price.

11.6. Under no circumstances shall HMI be responsible for any repairs performed by anyone other than their own technicians.

11.7. This warranty does not cover any damages or defects caused by normal use of the Supplies. Any damages or defects caused by incorrect maintenance, storage or use, negligent use, use of unsuitable liquids or gases, incorrect flow and/or pressure values, incorrect installation, power supply variations (voltage, frequency, disturbances), changes not approved by HMI, failure to follow the technical instructions provided during installation or changes, or any other causes not attributable to HMI are excluded from the scope of this warranty and shall render it null and void.

11.8. This warranty shall also be considered null and void if any prior stipulations establishing that HMI staff must be present when Supplies are delivered or operated for the first time are infringed or when, in case of failure, no measures are adopted in order to minimize the resulting damages.

11.9. Without prejudice to the provisions defined in this clause, HMI shall not be responsible for any material and/or equipment defects found more than two years after the date defined in point 1 of this clause.

12. LIMITATION OF LIABILITY

HMI’s liability for any failure to comply with the obligations of this agreement, or failure to do so by their employees, representatives, subcontractors and suppliers, excluding cases of fraud or serious misconduct, shall not exceed the base price of the agreement. Under no circumstances shall HMI be liable for any losses or damages incurred as a result of loss of profits, loss of earnings, loss of use, loss of production, interest costs, costs associated with equipment, installation and replacement costs, costs incurred as a result of unavailability, delays and complaints by the Buyer’s customers, costs incurred as a result of interruptions, loss of anticipated savings, or any other special damages, indirect or consequential (contractual, non-contractual, objective or resulting from warranties or other). The provisions defined in this clause do not apply to the eventual loss of life, moral damages, damages to physical integrity and damages to health.

13. EXPORT RESTRICTIONS

Some products supplied by HMI may be subject to export control regulations. Accordingly, the Buyer shall not be allowed to export the Supplies, directly or indirectly, or through any third parties, without the prior written authorisation of HMI. The Buyer shall be responsible for observing this clause, directly or through any third parties.

14. APPLICABLE LAW AND COMPETENT COURTS

The Parties hereby agree that any disputes arising in connection with these General Conditions shall be resolved by the Santo Tirso Court, according to Portuguese Law, expressly waiving any other jurisdiction to which they may be entitled.

Revision 0.0, 17 April 2014