

GENERAL TERMS AND CONDITIONS OF PURCHASE MCG

1. GENERAL TERMS AND CONDITIONS

1.1. All purchase orders issued by the company Manuel Conceição Graça, Lda, VAT number: 500854270 (hereon referred to as MCG), are governed by the present General Terms and Conditions of Purchase MCG. Any alteration to the present terms and conditions will only be considered valid if they are stated in, the Purchase Order, in MCG Supplier's Quality and Warranty Agreement, or if part of a written agreement between Supplier and MCG.

1.2. MCG's General Terms and Conditions of Purchase prevail over any General Sales Conditions of the Supplier, except in specific cases, agreed upon, in writing, between Supplier and MCG.

1.3. The present General Terms and Conditions of Purchase are considered accepted, on behalf of the supplier, as from the approval of the Purchasing Order, as stated in point 2 of the present document.

1.4. In cases where the Supplier has previously received the following General Terms and Conditions of Purchase, in the context of other commercial relationships with MCG, it shall be considered that these are of the knowledge of the Supplier when presenting a quotation for any equipment, material or service as described in the Purchase Order, without prejudice to the Supplier's obligation to consult the available version in the MCG website. (www.mcg.pt).

1.5. Any queries, incompatibilities errors or omissions in the Purchasing Order, shall be exposed in writing to MCG, within 5 working days, as from the date when the Purchase Order is sent. The deadlines established in the Purchase Order will not be altered as result of any queries, incompatibilities, errors or omissions.

1.6. Any proposal to alter the Purchase Order shall be requested in writing, by the Supplier. Any alteration to the Purchase Order, cannot be carried out by the Supplier, without its resubmission with the alteration by MCG and without prejudice to the responsibilities assumed by the Supplier.

2. ACCEPTANCE OF THE PURCHASE ORDER

2.1. MCG considers the Purchase Order accepted, by the Supplier, unless it is contested, within 3 working days.

2.2. On acceptance, the Supplier forfeits any rights to apply his General Conditions of Sale.

2.3. The Supplier is obliged to inform MCG, anytime an alteration to the functionalities, characteristics, quantity to supply, foreseen in the Purchase Order occurs, and alternatives have to be proposed to compensate the alterations at stake. MCG reserves the right to reject these.

2.4. With the acceptance, all accessories, documentation, rules, legal requirements and necessary activities will be considered included for the full compliance of the Purchase Order.

3. SUPPLY

3.1. The Purchase Order must be fulfilled in compliance with the specifications, conditions, dates and quantities foreseen in it and in the remaining contractual documents.

3.2. MCG reserves the right to cancel the Purchase Order, in case there is a delay in its execution.

3.3. MCG may refuse to accept any delivery before the established deadline in the Purchase Order, as well as refuse any goods that come in superior quantity to that foreseen in the Order.

3.4. Whenever requested by MCG, the Supplier shall attend personally or make himself represented by a qualified and authorised person, in meetings regarding the fulfilment of the Purchase Order.

3.5. The Supplier is compiled to oblige and to make it an obligation, by all its representatives or subcontractors, in a complete and thorough way, all the legislation and regulations applicable to the supply described in the Purchase Order and to show that it is in the possession of all permits, insurance and licences that, according to the law and regulations, are applicable and proven necessary to carry out its activity.

3.6. The Supplier is entirely responsible for any damage whatsoever resulting from non-abiding to the above-mentioned norms.

3.7. The Supplier is entirely responsible for guaranteeing all permissions, homologations, approvals or import licences that are necessary for the fulfilment of the Purchase Order, except for previously agreed conditions in writing, between the Supplier and MCG.

3.8. The Supplier is compiled to abide and respect all the technical specifications of the equipment and materials stated in the Purchase Order (i.e. manufacturing norms, trials and functioning of these, descriptive memories, handling manuals, homologations, etc...).

3.9. The Supplier is compiled to guarantee the submission of the merchandise documentation (shipping guide or invoice), together with it. The merchandise documentation must contain the description of the merchandise and the number of the Purchase Order regarding the supply.

3.10. For the interpretation of the conditions of the contracted supply, the Portuguese Commercial Code is applied, and, in its omission the international rules (INCOTERMS in force at the time of acceptance, from the International Chamber of Commerce).

4. PRICE

4.1. The prices are fixed and can only be subject to revision when agreed upon in writing by the Supplier and MCG.

4.2. The prices presented in the Supplier's Proposal include all the costs and expenses that result or are consequence of the fulfilment of the Purchase Order, MCG Supplier's Quality and Warranty Agreement, or specifications previously agreed upon in writing between the Supplier and MCG.

5. INVOICING AND PAYMENT CONDITIONS

5.1. The invoice must include the number of the Purchase Order, as well as the number of the Shipping Guide regarding the delivery of the material corresponding to the Purchase Order.

5.2. Each invoice must correspond only to one Purchase Order.

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5.3. Invoices shall be issued by the legal entity to which the Purchase Order was given. Invoices issued by other entities will not be accepted, even when they belong to the same group.

5.4. All invoices shall be sent, regardless of having been delivered with the merchandise, by letter, to MCG's head office address or by digital means if agreed beforehand in writing.

5.5. The invoices regarding a certain month will only be accepted until day 5 of the following month.

5.6. MCG reserves the right to reject and return the invoice in case of non-compliance of any of the above-mentioned points.

5.7. The period assigned for payments to suppliers is on the 15th and on the 30th of each month, except for specific cases, agreed upon in writing, between the Supplier and MCG.

5.8. The payment conditions are the ones defined in the Purchase Order. The payment deadline starts on the date the invoice is issued, and the payment done on condition of analysis and conference.

5.9. Any claim made by MCG, regarding the aim of the Purchase Order, may originate payment retention until:

5.9.1. The Supplier assumes the claims and the costs involved.

5.9.2. The legal process is concluded without damage, costs or obligations to MCG.

5.9.3. The Supplier has complied with all requirements and obligations associated with the Purchase Order, and/or in the MCG Supplier's Quality and Warranty Agreement.

6. INSURANCE

6.1. The Supplier guarantees that he holds and keeps in force all the required and necessary insurance for the supply of the Purchase Order, so as to assure MCG's position regarding all losses or costs incurred during the supply of the above Order.

6.2. The Supplier is obliged to present to MCG proof of insurance, as defined in the previous item, whenever requested.

7. INSPECTION

7.1. All the materials and equipment supplied must be new and exempt of defects.

7.2. The Supplier is responsible for the total quality of products and services supplied.

7.3. All the products supplied are subject to inspection and will be returned in the case of non-compliance with the specifications of the Purchase Order, remaining entirely at the Supplier's expense, the collection of the non-compliant products, repair and/or replacement of the material, without any cost to MCG.

7.4. The Supplier must grant free access to MCG representatives to its premises, whenever they deem convenient, for the purpose of audits, inspections and verification of material manufacturing processes, involving the fulfilment of the Purchase Order. It is MCG's prerogative to see whether it is necessary to be accompanied by a representative of the final Client.

8. NON-COMPLIANCE

8.1. Processes of Non-Compliance will take place every time anomalies, failures, mistakes, delays, deficiencies, inadequate transport packaging, inadequate means of transportation, malfunctions, deviations to technical specifications, quality and/or norms in force, are detected, involving the fulfilment of the Purchase Order.

8.2. The process of Non-Compliance will be registered by MCG, and the claim sent to the Supplier. These occurrences will negatively affect the assessment of the Supplier in MCG's Supplier Assessment presently in force and may be deprived of receiving new Purchase Orders until submission of an approval in writing, of the due response to this claim. The supplier shall proceed with the implementation of corrective measures in order to contain and mitigate the reasons for the non-compliance. The verification of the efficiency of the corrective measures implemented, shall be communicated in writing to MCG, who reserves the right not to approve them.

8.3. The lifting of the non-compliance does not suspend the fulfilment of the Purchase Order in all its previously agreed upon terms.

8.4. MCG reserves the right to reject all material, equipment or services subject to non-compliance, being the Supplier liable to penalties and/or termination under these General Terms and Conditions of Purchase.

8.5. In case of any non-compliance detected regarding the supply of the Purchase Order, all costs of inspection, disassembling/assembling, resisting of incident, trials, travel and audit will be supported by the Supplier.

9. PACKAGING AND TRANSPORT

9.1. The equipment and materials to be supplied regarding the Purchase Order shall be properly identified and packed by the Supplier, so as to guarantee the agreed upon specifications and packaging.

9.2. MCG reserves the right to reject any costs regarding packaging, boxes, pallets, or any other means of storage or transport that are not agreed upon regarding the Purchase Order, except in conditions previously agreed upon, in writing between the Supplier and MCG.

9.3. All risks associated with loading, transportation and preservation of the goods, regarding the Purchase Order, are of the Supplier's responsibility, until the moment of delivery in MCG's premises.

10. SUBCONTRACTING

10.1. The Supplier may not encumber nor transfer The Purchase Order or any parts thereof, nor subcontract the fulfilment of the Purchase Order attributed to them due to their competence or experience, without a previous approval request, in writing, to MCG, and the subsequent approval of the latter.

10.2. In the case of MCG's agreement and approval in writing, to a Supplier subcontracting a process, they are responsible for guaranteeing all the work attributed to subcontractors and will be solely responsible, before MCG, for the correct fulfilment of the Purchase Order.

10.3. MCG reserves the right to refuse any entity presented by the Supplier as a subcontractor, without prejudice to the compliance of the supply of the Purchase Order.

11. DUTIES OF THE SUPPLIERS

11.1. The Supplier guarantees that all its representatives or subcontractors are accompanied by all the necessary safety material to fulfil the Purchase Order.

11.2. With the exception of the transporters, all of those who, in the fulfilment of the contract, perform work inside MCG's

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premises shall comply with the Subcontractors Environment and Safety Regulations.

11.3. In the case of transporters, all shall comply with the Environment and Safety Regulations available in the pamphlet provided at the security gate. Upon receiving the document it is assumed that the supplier has acknowledged the rules.

11.4. The Supplier guarantees that all its representatives or subcontractors are responsible for the separation and adequate disposal of residue produced in what concerns the fulfilment of the Purchase Order, except for previously agreed upon conditions, in writing, between the Supplier and MCG.

12. ASSIGNING OF TECHNICAL MATERIAL AND INTELLECTUAL PROPERTY

12.1. All property or technical material assigned to the Supplier, by MCG, for the purpose of study, trials, tests and fulfilment of the Purchase Order, such as technical drawings, tools, equipment, moulds, packages, raw materials, etc. gives the former legal status of ownership rights for this property or materials, being the Supplier obliged to return them in the same conditions as they were upon reception, and as soon as requested.

12.2. All intellectual creation such as studies, technical drawings, reports, prototypes, software, projects, etc executed by the Supplier in the fulfilment of the Purchase Order, are MCG's property, and may be freely modified once the contractual relations between the Supplier and MCG have ended.

12.3. The Supplier will be responsible for damage or loss of any materials or equipment attributed to him. All the costs associated with the replacement or repair of the materials or equipment will be the Supplier's responsibility, as well as costs incurred by MCG for the loss or damage of any such materials and equipment.

13. WARRANTY

13.1. The Supplier is obliged to provide a warranty for the fulfilment of the Purchase Order, for a minimum period of 2 (two) years, in all equipment and services rendered, except in conditions previously agreed upon in writing, between the Supplier and MCG.

13.2. During the warranty period, it is the Supplier's obligation to proceed accordingly to fulfil the Purchase Order, except conditions, previously agreed upon in writing, between the Supplier and MCG.

13.3. MCG reserves the right to order repairs, correct, modify or replace any mistakes, anomalies, deviations, flaws, deficiencies, malfunctions or incompatibilities regarding the specifications in the Purchase Order, in the case when, the Supplier's response is inadequate or not complying to the necessary deadlines. All the costs involved will be of the Supplier's responsibility.

14. CONFIDENTIALITY

14.1. The Supplier undertakes not to disclose and not to use, in personal benefit or to benefit a third party, any information, documents and/or contracts made available by MCG, in the fulfilment of the Purchase Order.

14.2. All the confidentiality obligations prevail even when the commercial relations or the fulfilment of the Purchase Order have come to an end.

15. TERMINATION

15.1. The Purchase Order can be terminated by MCG, without any responsibility or financial costs, always and every time:

15.1.1. The supply does not comply with the specifications, or the Supplier violates any clause present in the Purchase Order, General Terms and Conditions of Purchase, MCG Suppliers' Warranty of Quality Agreement or any other agreed upon clause, in writing, commercially, between the Supplier and MCG.

15.1.2. The deadlines foreseen in the Purchase Order are not fulfilled by the Supplier, without motive or justification accepted by MCG.

15.1.3. Any other situation leading to termination provided by law.

15.2. In the case of partial termination of the Purchase Order, MCG will only be responsible for the payment of materials, equipment or services already delivered and accepted, and the Supplier will have no right to compensation for the parts affected by the termination of the contract.

16. ENVIRONMENT AND SAFETY REGULATION FOR SUPPLYING

16.1. The Supplier shall provide MCG, with no extra costs, all materials, documents or any other activity in the fulfilment of the Purchase Order that might be necessary for the correct functioning, maintenance or compliance of norms, legal requirements in force, regarding safety and/or environment, even if not mentioned in the Purchase Order.

16.2. In the case of equipment, these shall be supplied with an instruction manual in Portuguese, EC marking and a conformity declaration.

16.3. All equipment supplied that contain cfc's will only be accepted in cases where the requirements of law number 145/2017 are fulfilled.

16.4. In the case of the chemical products, if it is the first supply, the Supplier shall hand in a REACH compliance statement, as well as the corresponding Safety Data Sheets of the products supplied. These sheets **must be on Portuguese language** and shall comply with Regulation (EC) number 1907/2006. After the first delivery, it is the Supplier's responsibility to guarantee the submission of the Safety Sheets of products that have been updated.

16.5. All the Suppliers of chemical products shall comply with all the legal requirements regarding the labelling of packages and transport (ex. CLP e ADR) **including all the information on Portuguese language**.

16.6. The Supplier should have Systems of Quality Management, Safety and Environment properly structured and implemented and as far as possible certified by credited entities,

16.8. The Supplier undertakes to comply with general norms, as well as national legislation and European regulations in what regards relationship with workers, environment protection and workplace security.

16.9. The Supplier guarantees that in their activities necessary measures have been adopted aiming to reduce harmful repercussions to people and the environment.

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17. APPLICABLE LAWS AND REGULATIONS

17.1. The present General Terms and Conditions of Purchase, MCG Supplier's Warrantee and Quality Agreement, and/or the Purchase Order are governed, globally by the Legislation in force in the Portuguese Legal System.

17.2. For the settlement of any disputes arising from the present General Terms and Conditions of Purchase MCG Supplier's Warrantee and Quality Agreement, and/or the Purchase Order, the parties attribute exclusive competence to the District Court of Alenquer, in Portugal.

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