

GENERAL CONDITIONS FOR THE PURCHASE OF MATERIALS, EQUIPMENTS AND SERVICES

Section 1 - General topics

- 1.1 These General Conditions are standard terms of contract applying to the purchase by EID of any materials, equipments or services, including computer programs, from any company or entity (hereinafter referred to as the "SUPPLIER"), unless the text of each particular purchase order or of an agreement signed by EID and the SUPPLIER (hereinafter together referred to as the "Parties") provides otherwise.
- 1.2 Both EID's purchase order and the General Conditions attached thereto shall be considered as accepted and a contract shall be considered as entered into by the Parties when EID has received the written acceptance of the SUPPLIER in respect of the aforesaid purchase order.
- 1.3 Anyone issuing an acceptance letter under the letterhead of the SUPPLIER with reference to a purchase order from EID shall be deemed to have power and authority to bind the SUPPLIER in respect of said purchase order.
- 1.4 Acceptance by the SUPPLIER in respect of a purchase order from EID involves the obligation to supply the materials, equipments and services ordered by EID with the quality, skill and diligence that can be expected from companies carrying out the same type of business activity.
- 1.5 In these General Conditions "writing" means letters, words, or numbers, set down by handwriting, typewriting, printing, photographing, mechanical, magnetic or electronic recording ; "written message" means any set of letters, words or numbers transmitted at distance by mail, courier, telex, fax, electronic mail or electronic data interchange.

Section 2 - Object of the purchase

- 2.1 Unless there is an agreement signed by both Parties, the object of the purchase shall be defined by EID's purchase order and by the SUPPLIER'S acceptance, both made in writing.
- 2.2 The provisions of the Sub-Section 2.1 shall also apply to the determination of other contractual terms of the purchase, including the terms of payment, the place and time of delivery, the warranty and other liabilities of the SUPPLIER and the settlement of disputes.

Section 3 – Technical specifications

- 3.1 All the materials or equipments ordered by EID shall be manufactured, inspected and received in such manner as to ensure the conformity of the same with the technical specifications referred to in EID's purchase order, without prejudice to the possible amendment of these specifications by written agreement of both Parties.
- 3.2 In no case is the use of counterfeit material acceptable to comply with the purchase order placed by EID. Such obligation shall be extended by the SUPPLIER to its sub-suppliers.
- 3.3 Any documentation sent by EID to the SUPPLIER in connection with the purchase order cannot be reproduced, disclosed, transmitted or lent to any third party, without EID's prior written consent and the latter shall be entitled to demand its sending back after the purchase order has been performed.
- 3.4 By accepting a purchase order from EID specifying that the ordered materials, equipments or services are requested for a project subject to military or industrial security restrictions, the SUPPLIER undertakes to comply with all such restrictions.

- 3.5. Whenever expressly requested in the purchase order, the SUPPLIER shall issue a "Statement of Conformity", duly signed, asserting that the materials and equipments conform to the specifications referred to in EID's purchase order.

Section 4 – Place of delivery and transfer of risk

- 4.1 Unless the Parties have agreed otherwise in writing, all materials or equipments covered by EID's purchase orders are to be delivered at EID's premises ("DDU – Delivered Duty Unpaid" as per Incoterms 2000).
- 4.2 The SUPPLIER shall provide at its own expense the packaging which may be required for the delivery of the ordered materials or equipments, such packaging to be marked appropriately.
- 4.3 Unless the Parties have agreed otherwise in writing, the risk of loss, destruction or damage to the ordered materials or equipments shall be transferred to EID at the date when the same should be considered as delivered pursuant to these General Conditions or to the terms of an agreement signed by both Parties.
- 4.4 In the delivery note and/or in the transport document to be sent by the SUPPLIER to EID, the n° of EID's purchase order shall always be mentioned.

Section 5 – Time for completion

- 5.1 All materials, equipments or services ordered by EID should be supplied at the dates or within the time periods set in the EID's purchase order.
- 5.2 Deliveries of equipments or computer programs shall not be deemed complete without the technical documentation, drawings, diagrams, instructions manuals, etc, which should accompany them.
- 5.3 No materials, equipments or services ordered by EID shall be considered as delivered or completed until the full conformity of the same with the contractual specifications has been ascertained by EID by means of surveys, tests or checking's pursuant to the methods mentioned in the purchase order or to the best practice of the respective industry.
- 5.4 EID may apply a penalty for delayed delivery of the ordered materials or equipments or delayed performance of the ordered services, such penalty to be 1% of the total price of the purchase order, per each day of delay.
- 5.5 EID shall be entitled to deduct the amount of the applied penalties from any payment to be made to the SUPPLIER or from any bank guarantees or bonds that the SUPPLIER may have provided to secure the good performance of its supply.
- 5.6 In case the materials, equipments or services have not been delivered or completed 10 calendar days after the contractual dates, EID may rescind the contract by sending the SUPPLIER a written notification to that effect, without prejudice EID's right to claim a compensation for the damages caused by the SUPPLIER non-performance or delayed performance.
- 5.7 No penalties shall be applied in case the SUPPLIER's non-compliance with the contractual delivery date or completion time is caused by an event of *force majeure*, provided that the SUPPLIER clearly informs EID of this circumstance not later than 48 hours following its occurrence, but EID shall be entitled to rescind the contract without penalties being applied, if the *force majeure* situation subsists or is foreseen to subsist for more than 45 calendar days.
- 5.8 The Force Majeure (Exemption) Clause of the International Chamber of Commerce (ICC Publication n° 421) is hereby

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incorporated in these General Conditions, with the modifications arising from Sub-Section 5. 7.

information, exclusively for the performance of said order, unless such knowledge is public knowledge or can be obtained from other sources without restrictions on the disposal thereof.

Section 6 – Inspections, tests and warranty

- 6.1 All materials, equipments or computer programs covered by EID's purchase order are subject to inspection and/or testing by representatives of EID or of specialized entities referred to in said order.
- 6.2 Inspections and testing shall be made in accordance with the requirements and methods specified in the purchase order or defined by the aforesaid specialized entities.
- 6.3 EID's representatives and/or the aforesaid specialized entities shall be allowed free access to the SUPPLIER's or its Subcontractors' workshops, at any stage of production of the materials or equipments to be supplied.
- 6.4 The SUPPLIER, whenever EID so requires, shall submit reports on progress status and/or manufacturing schedules.
- 6.5 All materials, equipments or computer programs which are found to be defective or not in compliance with the technical specifications set in the purchase order, even though they have been accepted at the FAT's, shall be rejected.
- 6.6 If one detects, during the tests or after their reception at its premises, that the materials, equipments or computer programs supplied do not meet the contractual technical specifications or requirements, EID may reject the same.
- 6.7 Unless otherwise agreed between the Parties, the SUPPLIER warrants the good quality of the purchased materials and the good functioning of the purchased equipments or computer programs for a period of one year after the date of their certified reception by EID, and undertakes to repair or remedy the defects and/or replace the defective parts of those materials, equipments or computer programs, provided the defects are detected and notified within the aforesaid time period. Any costs connected with the repair or remedy of defects or replacement of defective parts, including the costs of returning the defective parts and transporting the replacements, shall be borne the SUPPLIER.
- 6.8 The warranty obligation set forth in Sub-Section 6.7 is without prejudice to EID's right to claim compensation for the damages caused by the SUPPLIER's non-performance or misperformance.

Section 7 – Intellectual property

- 7.1 The SUPPLIER warrants that the supplied materials, equipments or computer programs are free from any impediment or restriction arising from patents, copyrights or other intellectual property rights and undertakes to indemnify and hold EID harmless against any claims of third parties in respect thereof.
- 7.2 The SUPPLIER undertakes to take all measures at its expense, which may help to avoid a standstill in EID's activity, because of the third parties' claims mentioned in Sub-Section 7.1..
- 7.3 Without prejudice to the provisions of Sub-Sections 7.1 and 7.2, EID shall be entitled to rescind the contract in whole or part, by written notice, in case the SUPPLIER fails to replace the parts of the equipment or redesign the part of the computer program which are the object of the third party's claim, without prejudice to EID's right to be compensated for the damages caused by the impossibility to use the said equipment or computer program.
- 7.4 The SUPPLIER undertakes to use any knowledge contributed by EID for the purposes of the purchase order, e.g. technical

Section 8 – Rescission of the contract

- 8.1 EID may rescind the contract originated by its purchase order in the event that
 - a) the SUPPLIER materially breaches its contractual obligations and fails to remedy such breach within 30 days after receiving EID's written warning to this effect; or
 - b) the SUPPLIER is wound-up or declared insolvent by the courts or enters into compromise or composition with its creditors under court's supervision or is subject to bankruptcy proceedings; or
 - c) THE SUPPLIER BREACHES THE COHORT GROUP ANTI-BRIBERY AND ANTI-CORRUPTION POLICY IN FORCE AT EID AND PUBLISHED ON THE EID WEBSITE (http://www.eid.pt/page/corporate_policies), WHICH HE HEREBY ACKNOWLEDGES; or
 - d) THE SUPPLIER BREACHES THE ANTI-SLAVERY AND HUMAN TRAFFICKING CLAUSES ANNEXED TO THE PURCHASE ORDER OR COHORT GROUP ANTI-SLAVERY POLICY IN FORCE AT EID AND PUBLISHED ON THE EID WEBSITE (http://www.eid.pt/page/corporate_policies), WHICH HE HEREBY ACKNOWLEDGES; or
 - e) any of the situations mentioned in Sub-Sections 5.6, 5.7 or 7.3 occurs.
- 8.2 In case EID decides to rescind the contract pursuant to Sub-Section 8.1, rejecting the materials, equipments or computer programs that the SUPPLIER has meanwhile supplied, the latter is bound to pay back to EID any amounts received under that contract, without prejudice to EID's right to be compensated for the damages caused by the SUPPLIER's non-performance or misperformance.

Section 9 – Governing Law. Settlement of disputes

- 9.1 Any issues which are not dealt with in these General Conditions or in an agreement that may be signed by EID and the SUPPLIER, shall be governed by the provisions of Portuguese Law.
- 9.2 Without prejudice to the possible submission to arbitration if the Parties agree to that in writing, for all disputes arising from the purchase of materials, equipments, computer programs or services to which these General Conditions may apply the courts of Lisbon shall be competent, to the exclusion of any other courts.