



TERMS AND CONDITIONS OF THE PURCHASE ORDER

1. OBJECT

- 1.1. The present Terms and Conditions (hereinafter, "Terms and Conditions"), together with the purchase order corresponding to each supply (hereinafter, "Order") to be made to LUSOSIDER Aços Planos, S.A. (hereinafter, "LUSOSIDER"), rule the acquisition to third parties (hereinafter, "Supplier") of materials and/or equipments (hereinafter, "Merchandise") by LUSOSIDER, and are a part of the Order applicable to each supply for all legal and contractual purposes.
- 1.2. Any amendments or changes to the object or clauses of the Order will only be valid and effective when accepted by a written document signed by both Parties, even if under the form of exchange of correspondence, and will thereafter become a part of the applicable Order.
- 1.3. In case of a contradiction, the provisions of the applicable Order and the provisions of the subsequent amendments or changes referred in the previous number 1.2. will prevail over the provisions of the present Terms and Conditions.

2. TIME OF DELIVERY

The Supplier undertakes to deliver the Merchandise in the quantities, with the quality, on the locations and on the terms requested in the Order.

3. ACCEPTANCE

- 3.1. The Supplier shall confirm the acceptance of the applicable Order, by devolution to LUSOSIDER (by e-mail or fax) of a copy thereof after, properly signed by its lawful representatives
- 3.2. Confirmation on the terms of the previous number 3.1. constitutes an express acceptance by the Supplier of the applicable Order.

4. DELIVERY OF MERCHANDISE

- 4.1. The Merchandise shall be delivered properly labelled with the number of the applicable Order, with the LUSOSIDER code and with the number of the Transport Title of the corresponding Supplier.
- 4.2. The numbers of the Orders, together with the identifiable embark marks, must be indicated in all packages, embark notes, invoices, weight notes and further correspondence in relation to each Order
- 4.3. Whenever there are packages to return, the Supplier shall indicate so and identify them in the Transport Title; on the contrary, LUSOSIDER shall not be liable for the referred packages or their devolution.
- 4.4. The Supplier shall send via post to LUSOSIDER the official report of reception and all other transport documents containing expedition details, the number of the applicable Order and route envisaged to be followed for the transportation of the Merchandise, immediately after the corresponding dispatch of the Merchandise.
- 4.5. The Supplier shall deliver the Merchandise according with the terms, drawings, specifications, samples or other descriptions referred to in the applicable Order. The Merchandise shall be delivered free from any fabric, material and/or workforce deficiencies.
- 4.6. Without prejudice of the provisions of Clause 8.3., the delivery of the Merchandise shall take place in the industrial premises of LUSOSIDER, located in 2840-075 Aldeia de Paio Pires, Portugal, on business days, and within the following time schedule: between 9.00 a.m. and 12.00 a.m. and between 1.30 p.m. and 4.00 p.m. of each business day.

5. OVERSHIPMENTS

LUSOSIDER reserves the right to return at Supplier's expenses and risk, any quantities of Merchandise delivered in excess of the ones specified in the applicable Order.

6. PRICES AND PAYMENTS

- 6.1. Payment of supplies made under the present Terms and Conditions will only be made after reception by LUSOSIDER of the corresponding invoices, which may only be sent by the Supplier to LUSOSIDER after the delivery of the Order to which they refer to.
- 6.2. Without prejudice to a different written agreement existing among the Parties, all payments due for the applicable Order shall be made according the payments terms referred in the order, under the terms referred in the previous number of this clause.

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- 6.3. The Merchandise indicated in the applicable Order can not be invoiced with prices greater than the ones that were rated in the last place, without the previous written consent of LUSOSIDER.
- 6.4. The Supplier shall present all the invoices in double, to the Accountancy Department of LUSOSIDER – Aços Planos, SA, 2840-075 Aldeia de Paio Pires, Portugal, with reference to the number of the Order to which they refer to.

7. LIABILITY OF THE SUPPLIER

Without prejudice of any other rights granted to LUSOSIDER under the legal terms or under the applicable Order, the Supplier shall be liable for all the damages resulting from delays in the delivery of the Merchandise, including for LUSOSIDER's costs resulting from the interruption or slowing of the production, or any reparation necessary as a result of the non compliance, delay or deficient compliance of the obligations of the Supplier, the Supplier being obliged to indemnify LUSOSIDER for all emerging damages and lost benefits or profits caused by its failures.

8. RISK

- 8.1. From the moment of the delivery of the Merchandise, the same will become property of LUSOSIDER without prejudice of LUSOSIDER's right to reject such Merchandise by virtue of any existing deficiencies, according with the terms and conditions of the applicable Order.
- 8.2. The risk inherent to the Merchandise is only transferred to LUSOSIDER with the delivery of the Merchandise under the terms of the previous number.
- 8.3. Delivery of the Merchandise shall be made in the industrial premises of LUSOSIDER or, if indicated in the applicable Order, in an intermediary point (e.g., frontier).
- 8.4. The Merchandise shall be delivered free of charges and shall be properly insured by the Supplier. The Supplier shall provide for the transportation of the Merchandise up to the relevant delivery location.
- 8.5. The Merchandise delivered free of charges in an intermediary point, shall be insured by the Supplier until that place. In this case, LUSOSIDER shall be liable from the transport from that place until its fabric installations.
- 8.6. If the conditions provided for in the Order are "ex works", the embark costs until the destination point shall be paid in advance, being any other charges added in the Supplier's invoice.

9. GUARANTEE TERM

- 9.1. The term of guarantee of the Merchandise is of 12 (twelve) months minimum, counted as of the delivery date of the Merchandise to LUSOSIDER according to the provisions in article 8. hereabove.

9.1.1 In case of metal parts (mechanical engineering) the guarantee period applies also to surface corrosion of parts/equipments, so they should be provided with protective corrosion product that ensures the good condition of those for the minimum period of guarantee under normal storage.

- 9.2. LUSOSIDER reserves the right to reject the Merchandise if they present any deficiencies, during the guarantee term.
- 9.3. All the rejected Merchandise shall be returned and debited to the Supplier, who shall also bear all transport costs corresponding to deficient/rejected Merchandise. LUSOSIDER may additionally be indemnified for all damages, costs, prejudices and lost benefits due to the non compliance or deficient compliance of the Order and/or guarantee.

10. INSPECTION

- 10.1. LUSOSIDER reserves the right to inspect and test the materials and production techniques of all Merchandise, at all times and in all places, including, when practicable, during the manufacturing thereof.
- 10.2. If any such inspection or test is made on the premises of the Supplier, the Supplier shall furnish, without any additional charges, all facilities and assistance for a safe and convenient inspection or test to be made by LUSOSIDER.

11. TERMINATION

- 11.1. The present Terms and Conditions have indefinite duration, remaining in force until termination thereof by any of the parties under the terms of the following number 11.2.
- 11.2. Either one of the Parties may terminate the present Terms and Conditions by means of registered letter with reception warning, sent to the address of the other party, with a minimum prior notice of 180 (a hundred and eighty) days.

12. NON COMPLIANCE

- 12.1. Without prejudice of any other rights granted under the applicable legal terms or under the present Terms and Conditions, any of the parties may terminate the Orders presented under the present Terms and Conditions, in case any of the following situations occurs:

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- (a) In case of non compliance by the other party of the obligations resulting from the present Terms and Conditions or from any Orders presented;
 - (b) If the other party misses payments, is in a special recovery or insolvency proceeding, or if, by any form reasonably appreciated by the other party, causes the interruption or the diminishing of its business activities.
- 12.2. LUSOSIDER may also terminate the present Terms and Conditions and eventual Orders in course, totally or partially, in case one of the following situations occurs:
- (a) Deficiencies of the quality of any Merchandise supplied by the Supplier;
 - (b) if any Merchandise is not embarked under the terms, conditions and date specified in the applicable Order;
 - (c) if any Merchandise is not in accordance with the drawings and details, or with the approved samples or the specifications or with any other issued and applicable instructions;
 - (d) if any Merchandise is not delivered within the term referred in the applicable Order.
- 12.3. The defaulting party shall indemnify the non defaulting party for all damages and prejudices suffered as a consequence of the termination of the present Terms and Conditions or of any Order operated under the terms of numbers 12.1. and 12.2., including for all costs endured as a result of such non compliance, including for those resulting from the interruption or diminution of the production and for any works executed outside the assembly line, and also for eventual lost benefits.

13. FORCE MAJEURE

- 13.1. Without prejudice of the provisions of number 13.4., none of the parties may be liable for the non compliance or deficient compliance of the obligations assumed under the present Terms and Conditions, when such non compliance or deficient compliance results from the occurrence of a situation of extraordinary or unpredictable nature which is exterior to the parties, and which can not be controlled by them, such as war (declared or not), civil insurrection, natural catastrophes, strikes of national range, fires, flooding, explosions, governmental decisions or other situations not controllable by the parties that prevent or seriously damage the compliance of the obligations assumed under the present Terms and Conditions.
- 13.2. In the cases covered by the previous number 13.1., the party prevented from ensuring compliance of the respective obligations shall notice that fact immediately to the other party, informing of all the consequences resulting from the verification of the relevant *force majeure* situation, specifying, namely, the non complied obligations, the cause of that non compliance and the predictable duration of the relevant situation, without which notice the party shall not be considered to be exempted from complying with its obligations.
- 13.3. The Supplier shall recover the time lost in the execution of the Orders governed by the present Terms and Conditions due to a *force majeure* situation and, if necessary, it shall renegotiate with LUSOSIDER the amendments and adjustments to the contractual terms adequate to that recovery of time, in order to ensure that these terms are complied punctually or with the minor delay possible.
- 13.4. Any of the parties may terminate the present Terms and Conditions, totally or partially, whenever a situation described in the present clause occurs and causes the non compliance of the contractual obligations by the other party, for a term greater than 30 (thirty) days.

14. SUSPENSION OF EXPEDITIONS

The Supplier shall suspend, at LUSOSIDER's written request, the expedition and delivery of Merchandise, during the term that shall be indicated by LUSOSIDER for that purpose.

15. INDUSTRIAL PROPERTY

- 15.1. The Supplier shall guarantee that the Merchandise, even when manufactured according to the instructions given by LUSOSIDER and the respective fabric proceedings, does not violate any Industrial Property Rights of third parties, and shall immediately notify LUSOSIDER in written of the occurrence or possible occurrence of such situation.
- 15.2. The Supplier shall be exclusively liable for any indemnifications, costs or any other expenses resulting from any complaints, claims or judicial actions presented or raised either against the Supplier or against LUSOSIDER, its agents or its lawful representatives, having as object the violation of any Industrial Property Rights, and the Supplier shall reimburse LUSOSIDER of any expenses borne in virtue of such violation, including but not limited to any judicial or extra-judicial expenses, and attorneys or solicitors fees.

16. ASSIGNMENT AND SUBCONTRACTING

- 16.1. The Supplier shall not, without LUSOSIDER's previous written consent, assign totally or partially its contractual position, whether freely or onerously, and the Supplier shall not subcontract, without LUSOSIDER's previous written



consent, or resort to the technical or economic cooperation of any other entities, in order to comply with its contractual obligations.

- 16.2. Entities with whom the Supplier subcontracts or to whose cooperation the Supplier resorts to, under the terms referred in the previous number of this clause shall be considered, for all legal purposes, as subcontractors of the Supplier. As a consequence, and notwithstanding LUSOSIDER's consent, the Supplier shall always be considered, before LUSOSIDER, as the only entity responsible for the full and punctual compliance of the obligations undertaken under the present Terms and Conditions.

17. CONFIDENTIALITY

The Supplier is obliged to maintain strict confidentiality concerning any information of technological, financial or commercial nature to which the Supplier had access or that has been developed as consequence of the established in or the execution of any Orders.

18. TOOLING AND MATERIALS FURNISHED BY LUSOSIDER

- 18.1. The materials, equipment or tooling that shall be delivered by LUSOSIDER to the Supplier for the purposes of the execution of any Order are and shall remain LUSOSIDER's exclusive property.
- 18.2. Without prejudice of Clause 15 of the present Terms and Conditions, the materials, equipment or tooling referred in the previous number 18.1. shall not, in any case, be delivered to third parties, and shall be returned to LUSOSIDER after the compliance of the respective Order. Such materials, equipment and tooling are considered confidential, being furnished exclusively for the purposes of complying with the Order, and in any case divulgation or use beyond the purposes of the same Order shall not be allowed.
- 18.3. The risk related with the materials, equipment or tooling delivered by LUSOSIDER to the Supplier is transferred to the Supplier, from the moment of delivery until devolution thereof to LUSOSIDER.
- 18.4. After the conclusion of the Order, the Supplier shall indemnify LUSOSIDER for any materials, equipment or tooling improperly/unduly spent or damaged in the execution of the Order.
- 18.5. The materials, equipment and tooling shall be returned to LUSOSIDER according to the instructions given by LUSOSIDER for that purpose.
- 18.6. All the materials, equipment and tooling furnished by LUSOSIDER to the Supplier shall be protected against losses or damages by insurance policies accepted by LUSOSIDER, at the Supplier's cost.

19. ARBITRATION AND GOVERNING LAW

- 19.1. The divergences or disputes emerging from the interpretation or the execution of the present Terms and Conditions or of any Orders, shall be solved by recourse to arbitration, which shall be performed by three arbitrators, one being designated by each party and the third one by these two together, and the arbitrators shall decide according to the rules and principles of the Portuguese Law, with no appeal for other courts.
- 19.2. In case the arbitrators indicated by the parties are not able to reach an agreement about the designation of the third arbitrator, this shall be appointed by the President of the Commerce Chamber of Lisbon.
- 19.3. The parties agree to accept promptly the arbitral decisions, and these shall be issued on the maximum term of [4 (four) months] as from the date in which all the arbitrators that form part of the arbitral court are designated.
- 19.4. The party that wishes to have recourse to arbitration shall send a registered letter with reception warning to the other party, mentioning the object of the divergence and the identification of the respective arbitrator.
- 19.5. On the term of 8 (eight) days counted as of the reception of the letter referred on the previous number 19.4., the other party shall identify its arbitrator, by means of registered letter with reception warning.
- 19.6. This arbitration convention will become of no effect if any of the following situations occurs:
- (a) If the third arbitrator is not designated on the term of [45 (forty-five)] days counted as of the notice referred on the previous number of this clause;
 - (b) If the term referred to in Clause 19.3. lapses without the decision thereby mentioned being issued;
 - (c) If the term referred to in Clause 19.5. lapses without the arbitrator having been identified.
- 19.7. In case of forfeiture of the present arbitration convention, under the terms of the previous number of this clause, the litigation will be submitted to the jurisdiction of the Lisbon Courts.