



SUPPLY TERMS AND CONDITIONS

1. OBJECT

- 1.1. The present Terms and Conditions (hereinafter, "Terms and Conditions"), together with the purchase order corresponding to each supply (hereinafter, "Order"), rule (i) the acquisition of Equipments (hereinafter, "Equipments") and/or (ii) the execution of Works (hereinafter, "Services") by third parties (hereinafter, "Supplier") to LUSOSIDER, and are a part of the Order applicable to each supply.
- 1.2. Any amendments or changes to the object or clauses of the Order shall only be valid and effective once accepted by a written document duly signed by both parties, even if under the form of exchange of correspondence and shall therefore become part of the applicable Order.
- 1.3. In case of contradiction, the provisions of the applicable Order and the provisions of the amendments or changes referred to in the previous number 1.2. shall prevail over the provisions of the present Terms and Conditions.

2. EQUIPMENTS AND SERVICES ORDER

- 2.1. The Supplier undertakes namely to:
 - a) fully and duly comply with the terms of the Services execution and/or the terms of the delivery of the Equipment as established in the Order, which are deemed to be of essential interest to LUSOSIDER;
 - b) deliver the Equipment in the quantities and in accordance with the specifications referred to in the Order;
 - c) execute the Services in accordance with the specifications referred to in the Order.
- 2.2. Notwithstanding other provisions part of the Order or the applicable law, the Supplier shall be responsible for all the damages resulting from delays (i) on the delivery of the Equipment and/or (ii) in the execution of the Services, including the costs incurred by LUSOSIDER as a result of the interruption or the production slowing down, or of any repair which becomes necessary as a result of the noncompliance, delay or faulty compliance by the Supplier with its obligations, the Supplier being bound to indemnify LUSOSIDER for all consequential direct damages and lost benefits resulting therefrom.
- 2.3. The Supplier shall confirm the acceptance of the Order, by returning a copy of the Order (by E-mail or Fax) duly signed in all its pages.
- 2.4. The confirmation referred to in the previous number 2.3. represents an express acceptance of the Order and of the present Terms and Conditions as forming an integral part thereof.
- 2.5. The signed copy of the Order referred to in the previous number 2.3. shall be sent to LUSOSIDER within the five working days following reception thereof, or, in case of expressly mentioned urgency, in the following twentyfour hours. If the Supplier does not return the signed copy of the Order, within the terms referred to in the present clause, the Order shall be considered totally accepted, by the Supplier.

3. EQUIPMENT DELIVERANCE

- 3.1. The delivery of the Equipment shall be executed in the LUSOSIDER premises or in a third party establishment, in accordance with the Order, and the risk shall be transferred to LUSOSIDER in the moment when the Equipment is so delivered, except if differently established in the Order.
- 3.2. Without prejudice to any other obligations or liabilities provided for in the Order or in the law, the Supplier is bound to pay to LUSOSIDER, for the delay in the accomplishment of the obligations referred in the clause 2.1. sub paragraph a) the penalties established in the Order.



4. WARRANTY PERIOD

- 4.1. Without prejudice to all the other Supplier's obligations, for the terms and conditions provided for in each Order or resulting from the applicable law, the Supplier is bound to guarantee the works and/or materials and equipments part of the Order against any execution, manufacture or installment faults, for the period mentioned in the order, after the joint issuance by LUSOSIDER and the Supplier of an acknowledgement of definitive acceptance of the relevant (i) work performed, or, (ii) of the supplied Equipment.
- 4.2. The Supplier is liable towards LUSOSIDER, or towards any third party for the losses and damages resulting from any failure of the Equipment or of the performed work, being also bound to, during the guarantee period referred to in number 4.1. hereabove, to execute, and to bear, the required corrections, except if the Supplier proves that such failures may not be attributed to the Supplier's fault.

5. PRICES, PAYMENTS AND COSTS TO BE PAID BY LUSOSIDER

- 5.1. The Order prices are considered to be for all purposes, determined and fixed, and the Supplier shall not be entitled to demand any revision or changes thereto, even if predictable or unpredictable circumstances occur which make the accomplishment of the obligations harder or more expensive.
- 5.2. The prices are increased by VAT at the applicable rate.

6. ASSIGNMENT AND SUBCONTRACTING

- 6.1. The Supplier shall not, without LUSOSIDER's prior written consent, assign totally or partially its contractual position, whether freely or onerously, nor shall the Supplier subcontract or resort to the technical or economical cooperation of other entities or persons in order to comply with its contractual obligations.
- 6.2. Entities with whom the Supplier subcontracts or to whose cooperation the Supplier resorts to, under the terms provided for in number 6.1. hereabove shall be considered, for all purposes, as subcontractors of the Supplier. As a consequence, and notwithstanding LUSOSIDER's consent, the Supplier shall always be considered, before LUSOSIDER, as the sole responsible for the full and punctual compliance of the entirety of the undertaken obligations.

7. CORRESPONDECE AND INVOICE

- 7.1. All correspondence, **except for the one referred to in clause 7.4.**, shall be addressed to the following address:

LUSOSIDER – Aços Planos, SA
Departamento de Aprovisionamentos
240 – 075 ALDEIA DE PAIO PIRES
PORTUGAL

- 7.2. The payment of the services provided as to each Order, and except for different indication in the Order, shall only be executed after reception by LUSOSIDER of the correspondent invoices, which may only be issued and sent after execution by both parties of the provisory acknowledgement of acceptance of (i) Equipment, and/or (ii) the Services as to which the invoice refers to.
- 7.3. Without prejudice to different indication signed by both parties, all payments concerning the Order are to be executed through bank wire transfer, in the 60 (sixty) days following the reception of the corresponding invoice, in accordance with the terms provided for in number 7.2. hereabove.
- 7.4. The invoices, credit or debt notes, or other documents referring to each Order shall be issued in the name of LUSOSIDER – Aços Planos, SA in duplicate and shall contain the Supplier's identification, the Order number, and (i) the quantity and price of the invoiced Equipment, and the date of the corresponding acknowledgment of provisory acceptance, and/or (ii) the Services' price and shall be addressed to the following address:

LUSOSIDER – Aços Planos, SA
Direcção Financeira
2840 – 075 ALDEIA DE PAIO PIRES
PORTUGAL

8. TERMINATION

- 8.1. The present Terms and Conditions have indefinite duration, remaining in force until termination thereof by any of the parties under the terms of number 8.2. herebelow.
- 8.2. Either Party may terminate the present Terms and Conditions by means of registered letter with acknowledgment of receipt, sent to the address of the other party, with a minimum period of 180 (one hundred and eighty) days referring to the intended termination date, notwithstanding the fact that the present Terms and Conditions shall continue to fully apply to all Orders entered into at that stage or issued and accepted during such 180 (one hundred and eighty) days.

LUSOSIDER – Aços Planos, S.A.
Telef: 21 227 83 00 – Fax: 21 227 83 91 – 2840 - 075 ALDEIA de PAIO PIRES
Contrib.nº 503204447- Mat. na Conservatória do Registo Comercial do Seixal sob o nº 3261/940525



- 8.3. Without prejudice to any other rights granted under the applicable legal terms, either party may terminate the supply agreement referring to each Order, in case any of the following situations occurs:
- (a) In case of noncompliance by the other Party of the corresponding obligations as resulting from the Order;
 - (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.
- 8.4. The defaulting party shall indemnify the non defaulting party for all damages and prejudices suffered as a consequence of the termination of the supply agreement corresponding to each Order, in accordance with number 8.3 hereabove including for all costs endured as a result of such non compliance and including for those resulting from the interruption or diminishing of the production from works executed outside the assembly line, and also from eventual lost benefits.
- 8.5. If the Supplier ceases to duly comply with any of its contractual obligations, including the refusal of the execution or the defaultive execution of the reasonable instructions given in writing by LUSOSIDER as to the execution of the services which are the object of the Order, LUSOSIDER may, alternatively to the immediate termination of the Order, demand the Supplier in writing for the compliance of the obligations in accordance with the instructions specified in such demand.
- 8.6. In the case the Supplier does not meet the demand referred to in the previous number, within the due date therein established, LUSOSIDER may take all the necessary procedures to the fulfilment of the non complied obligations, including execution thereof by third parties in replacement of the Supplier and at the Supplier's cost, without prejudice to further rights as to which LUSOSIDER is entitled for the terms provided in the present Terms and Conditions and the applicable law, namely, the right to terminate the supply agreement inherent to each Order.

9. FORCE MAJEURE

- 9.1. Without prejudice of the provisions of number 5 of the present clause, no party shall be liable for the non compliance or faulty compliance of the Order undertaken obligations, when such non compliance or faulty compliance results from the occurrence of a situation of extraordinary or unpredictable nature which is exterior to the parties and which cannot be controlled by them, such as war (declared or not), disturbance, 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 obligation assumed under the Order.
- 9.2. In the cases covered by number 9.1. hereabove, the party prevented from ensuring compliance of the respective obligations shall immediately notice that fact to the other party, informing of all consequences resulting from the verification of the relevant force majeure situation concerning the Order, namely, specifying 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.
- 9.3. The other party shall always have the right to appeal to the competent court in respect of the qualification of the invoked situation as a force majeure situation.
- 9.4. The Supplier shall recover the time lost in the execution of the agreement due to a force majeure situation and, if necessary, shall renegotiate with LUSOSIDER the amendments and adjustments to the contractual terms adequate to such recovery, in order to ensure that these terms are punctually complied with or are complied with in the minor possible delay.
- 9.5. Either party may terminate the supply agreement, 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.

10. INSURANCE

- 10.1. The Supplier undertakes to have an insurance for all its workers against working accidents and professional diseases and to cover all other risks for which it is liable, namely the risks of assembly, establishments and other risks arising from its activities, with an Insurance Company authorized to work in Portugal.
- 10.2. The Supplier undertakes to timely provide to LUSOSIDER all the elements required for the effectiveness of the insurance referred to in number 10.1 hereabove as well as all certificates of the corresponding policies, once demanded.

11. WORKS IN LUSOSIDER'S PLANT

- 11.1. In order to coordinate the demands of the plant's works, the date from which the works are to be executed in LUSOSIDER's premises must be approved by LUSOSIDER who may request, at any time, a modification of said works, in case LUSOSIDER considers that the works are not being executed in the best technical conditions or in accordance with the obligations assumed by the Supplier.
- 11.2. During the execution of the previously mentioned works, the Supplier undertakes to comply with the Portuguese Law and all other rules of the competent official entities, as well as with all the applicable rules, namely the Documentação a Fornecer aquado Aquisições

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(PO_MI_05), the *Condições Gerais sobre a Realização de Empreitadas na Lusosider (PO_MI_06)* and the *Protection Anti-Corrosão Cores de Pintura de Equipamento e Tubagem (PO_MI_07)* applicable at each moment at LUSOSIDER, or others referred in the order.

- 11.3. All the Supplier's personnel which may be found in LUSOSIDER's premises shall respect the applicable order and security rules and the rules of good conduct, as well as the rules which are part of the *Segurança do Perímetro, Acessos e Circulação (PO_ADM_04)* and *Segurança das Subcontratações (PO_QSA_01)* applicable at LUSOSIDER, namely the ones referring to alcohol, (Points 5.2.5.8./5.2.5.9 and 5.2.5.10), and the Supplier undertakes to replace, at its own expenses, any worker, representative or subcontractor in relation to which LUSOSIDER considers that said one does not behave in accordance with such rules.
- 11.4. In accordance with point 5.2.4.2 of the *Regulamento de Segurança das Subcontratações (PO_QSA_01)*, the Supplier undertakes to identify all the workers at its service in LUSOSIDER's establishments through:
- Identification card placed in a well visible manner;
 - Helmet;
 - Appropriate working suit;
 - The name of the correspondent firm inscribed in the Helmet or in the Working Suit.
- 11.5. The Supplier undertakes to deliver, before the beginning of the intervention, three copies of the *Mapa de Pessoal*, which shall contain the identification of all the workers at its service and said *Mapa* is to be daily updated during the work execution period. One of the copies shall be send to the Workers Department – General Services of LUSOSIDER, for access control in the establishments, the other copy shall be delivered to the inspection agent of LUSOSIDER responsible for the work and the third copy must be sent to the Safety and Environment Department. **Without the delivery of all documents, services can not be started.**

12. DOCUMENTS TO BE PROVIDED TO LUSOSIDER –AÇOS PLANOS, SA

The Supplier undertakes to comply with the rules concerning the *Aquisição de Equipamento, Definição e Apresentação de Documentos Técnicos (PO_MI_05, DOC_MI_001, DOC_MI_002 and DOC_MI_003)*.

13. INSPECTION

LUSOSIDER reserves the right to directly inspect, or through an entity contracted to such effect, the execution of all works. The inspection does not exclude or diminishes the Supplier's liabilities and shall be executed by a LUSOSIDER's representative to be opportunely indicated.

14. DISPUTES' RESOLUTION AND COMPETENT COURT

- 14.1. In case of any dispute emerging from the interpretation and/or execution of the Order, validity and/or effectiveness thereof or of any of its clauses, both parties shall try to reach an agreement, through negotiations.
- 14.2. If the procedures taken to reach a conciliatory solution for the dispute come to be frustrated, the parties shall be entitled to appeal to the competent Court referred to in the following number.
- 14.3. The judgement of any disputes arising out of the present order, including the ones referring to its validity and/or effectiveness or of any of its clauses, shall be the competence of the Civil Court of Seixal, both LUSOSIDER and the Supplier renouncing to any other court.

15. FINAL DISPOSITIONS

The present Order revokes all and other prior agreements, whether oral or written, between the parties, as to its object, which may not be invoked as to any effects.