

# GENERAL SALES CONDITIONS

The General Sales Terms and Conditions in this document govern all commercial transactions between Arlógica - Máquinas e Equipamentos, referred to hereinafter as “ARLÓGICA”, and the purchaser, referred to hereinafter as “Client”.



## 1. GENERAL CONSIDERATIONS

1.1. All orders assume that the client has full knowledge of these General Sales Terms, thus the client represents, expressly and irrevocably, that they have received them on this date, accept them and undertake to observe them.

1.2. The object of the supply is conditioned by the order confirmation by the ARLÓGICA or, failing this, by the client's order note. Any changes, additions or total or partial cancellations of orders will be valid only after written acceptance from Arlógica - Máquinas e Equipamentos.

1.3. The supplies, services and budgets provided by ARLÓGICA are expressly carried out under the conditions below. These are also applicable to all future trade relations, even if they are not expressly reiterated. Any divergence from these conditions requires our approval in writing.

1.4. The technical descriptions, drawings, photographs, images and other indications contained in the catalogues, prices and technical/commercial leaflets are for informational purposes only, the price in force on the date of supply prevailing at all times. ARLÓGICA reserves the right to modify or amend them without prior notice, such changes causing no modifications to the commercial contracts and in-progress orders or pending deliveries.

1.5. The validity of any exceptional situations or additional clauses depends on acceptance by ARLÓGICA, considering the usual practices as mere tolerance and not as a repeal of these general conditions.

## 2. BUDGET AND CONCLUSION OF THE CONTRACT

2.1. The Budgets shown are confined to what is defined in the respective specifications/elements that gave rise to the preparation of the budget in question. Any and all changes will be subject to approval and re-budgeting.

2.2. Only ARLÓGICA may be responsible for the implementation of the budgets approved by the Client.

2.3. Unless otherwise stated, the budgets provided by ARLÓGICA are free of any commitment. The models and samples constitute non-binding reference elements. Contracts or commitments are binding only by written confirmation of the order or when it is supplied. In this case, the invoice replaces the order confirmation.

2.4. Verbal and written technical support are provided without any commitment and does not exempt the purchaser from conducting a verification of the products as far as their suitability for the intended means and purposes.

## 3. PRICE

3.1. Unless otherwise agreed, prices are deemed to be ex-works at the factory door, plus the cost of packaging and transport, as well as the legal VAT rate in force on the date of supply, where applicable.

3.2. Unless expressly stated otherwise, prices are based on the current cost factors and do not include a commitment factor. If, until the date of delivery, changes in the cost factors arise, e.g. due to the increase in the price of raw materials or wages, ARLÓGICA reserves the right to make a price adjustment.

3.3. Whenever there are price changes met, the new values shall apply to all outstanding delivery orders at the time of the change. If the client does not accept the new price, they may void the new order, notifying Arlógica - Máquinas e Equipamentos in writing, within 8 days of the date of notice of the price change. After this deadline, it is understood that they grant full agreement to the new conditions.

3.4. In respect of orders for which no prices have been agreed, the prices in force on the date of supply shall apply.

3.5. Unless otherwise expressly agreed, the sales prices, as well as all budgets and computations, are presented in euro (EUR).

## 4. PAYMENT TERMS

4.1. Except where other conditions of supply are agreed, invoices will be issued on the spot. Payment must be made in cash, debit card, cheque, bank transfer or other means of payment previously negotiated and accepted by ARLÓGICA.

4.2. Credit supplies require analysis and agreement by ARLÓGICA, with regard to conditions, amount and payment deadline, to be agreed in writing.

4.3. ARLÓGICA reserves the right to charge delay interest in accordance with article 102 (3) of the Commercial Code at a rate of 4%. If the delay exceeds 60 days, the rate provided will be accrued by 4 p.p., raising to 8%. Said delay interest will be debited via Debit Note.

4.4. Payment must be made irrespective of any claims. The place of payment is the main office of Arlógica - Máquinas e Equipamentos.

4.5. ARLÓGICA reserves the right, at any time, to cancel supplies, in particular where the credit limits, amount or deadlines are exceeded.

4.6. The limits and criteria are established by ARLÓGICA, based on the available information relating to the Client. ARLÓGICA reserves the right to request information from the Client to substantiate the limit assigned. The Client may, at any time, request a review of the limit assigned, for which purpose they must substantiate it with accounting/financial elements that justify said requests. Responsibility for assignment /review thereof is ascribed to the ARLÓGICA, without having to justify it to the Client or any third party.

4.7. Arlógica - Máquinas e Equipamentos reserves the right to void (without any liability) pending delivery orders, when the client has not fulfilled, wholly or in part, previous contracts or payments.

4.8. Unless otherwise agreed, withholding of payments and compensation is permitted only when the purchaser's counterclaim is indisputable, validated and accepted by ARLÓGICA or confirmed judicially.

4.9. Non-payment of invoices until the due date entails, immediately and without prior notice, an event of default.

4.10. In the event of delayed payment, all invoices open immediately become due and payment may be claimed. In the event of default of the payment terms or circumstances that hinder the financial credibility of the purchaser, ARLÓGICA reserves the right to claim immediate payment of all credits, irrespective of the due date.

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ARLÓGICA also reserves the right to make future deliveries conditional on advance payment or provision of security. In the event that advance payment or provision of security is not carried out until the previously established deadline, ARLÓGICA becomes entitled to terminate the contract for services not yet provided, for reasons directly attributable to the client, and consequently all the rights of the purchaser in respect of supplies not made will be automatically cancelled.

## **5. BONUSES**

5.1. Any commercial discount or additional amount, rappel, or allowance granted on tabled prices is always conditional on prior agreement by ARLÓGICA and full compliance with the conditions individually contracted.

5.2. In the event of total or partial non-compliance with these contractual conditions, lack of payment or delay therein, ARLÓGICA reserves the right to void all bonuses, discounts or rappelling.

## **6. RESERVATION OF OWNERSHIP AND OTHER WARRANTIES**

6.1. The goods provided are the property of ARLÓGICA until full payment thereof (art. 409 of the Civil Code), the Client bearing responsibility as faithful depositary of the material provided by ARLÓGICA until full fulfilment of the contractual obligations that they undertook.

6.2. The purchaser has the right to use and market the goods subject to the usual commercial procedures.

6.3. In case of breach of contract by the purchaser, in particular delayed payments, ARLÓGICA reserves the right to invoke the right of ownership, demanding immediate delivery of the goods under reservation, appropriating them directly or through representatives.

6.4. The purchaser must purchase appropriate insurance, in particular against fire and theft, for the goods with reservation of ownership.

## **7. CONDITIONS OF SUPPLY AND DISPATCH**

7.1. The place of fulfilment of supplies is the main office of ARLÓGICA.

7.2. Except in previously agreed situations, partial deliveries are permitted.

7.3. The Purchaser may terminate the contract if it is not possible to supply part of the order and if they provide a legitimate reason to refuse the partial supply. If this is not the case, the purchaser must honour the contractual value of the partial supply.

7.4. As soon as the goods are available to be collected, this should be communicated to the purchaser, who must immediately proceed to collect them within the deadline provided; otherwise, ARLÓGICA reserves the right to ship the goods with a carrier of their choice or to carry out storage, the costs and risks inherent being borne by the purchaser. With the notice of availability of the goods, the latter is deemed to be provided and the invoice may be issued.

7.5. The shipment and transport of goods always takes place at the

client's own risk, even when, at the latter's request, ARLÓGICA coordinates said shipment. In this case, the transport type, means and route, as well as the type and scope of the necessary means of protection and the choice of the carrier or freight forwarder, as well as the packaging, are at the discretion of ARLÓGICA. The customary criteria and care will be observed, under exclusion of any liability. Shipping charges will be added to the overall selling price, unless agreed otherwise.

7.6. Insurance for the goods will be purchased only upon express request of the purchaser, who will bear the respective costs.

7.7. In the event of loss, damage or breakdown of the goods or in the event of delay in their delivery, the Client (or consignee) shall describe, in a detailed manner, the general state of the goods at the time of receipt thereof, as well as the grounds for of any reservation in the respective transport document. In case of omission or insufficiency of this description, ARLÓGICA shall not be liable for any losses reported subsequently to the receipt of the goods.

7.8. Only and when previously and individually agreed, on a case-by-case basis with the Client, may the conditions of carriage and place of delivery be different from those referred herein.

## **8. RISK TRANSFER**

8.1. Unless otherwise agreed, the transfer of risk takes place at the time of delivery of the goods to the carrier or freight forwarder or at the time when the goods leave the factory or warehouse.

## **9. DEADLINES, DELAYS IN SUPPLY**

9.1. The deadlines for delivery and provision of the service shall be deemed to have been fulfilled when, until the deadline, the object to be provided exits the factory or when the carrier is informed or the provision of the completed service.

9.2. The delivery times requested by the client are deemed merely indicative and subject to confirmation when requested. Arlógica - Máquinas e Equipamentos cannot be held liable for damages resulting from delays in delivery or any types of penalties, except where they are duly provided in a contract.

9.3. The delivery time can only be considered from the date of clarification of all technical and/or commercial conditions, delivery by the client of all elements necessary for the execution of the order and after payment is made in advance, when it has been agreed.

9.4. The deadline for delivery and/or supply shall be deemed to have been fulfilled provided that the goods are ready to be shipped or if the goods are discharged from the ARLÓGICA warehouses within the expected deadline.

9.5. Failure to comply with the delivery period that generates a client complaint will give rise to analysis by ARLÓGICA for treatment and subsequent corrective action.

9.6. The deadline for delivery and provision of the service increases proportionally in situations of labour disputes, namely strikes and blockages, as well as unforeseen circumstances foreign to ARLÓGICA, which will constitute a force majeure factor as set forth in article 790 (1) of the Civil Code, provided that these impediments influence considerably and demonstrably the completion of the

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supply or provision of the service. This is also applicable if said circumstances occur with ARLÓGICA suppliers or if the supply of raw materials is insufficient for reasons unrelated to ARLÓGICA. Any delays arising therefrom will not constitute a just cause for cancellation of the order by the Client. In the relevant situations, the purchaser will be informed as soon as possible about the start and end date of the impediments.

9.7. Supplies and services (compliance with the contract) are under reservation to the extent that no impediments to their compliance occur on the basis of national or international regulations, including export control, and such as embargoes or other sanctions. The parties undertake to provide all information and documents required for export/transfer/import. Delays related to export controls or license allocation suspend the counting of deadlines set for delivery. If the necessary licences are not granted, the contract shall be deemed not to have been complied with in respect of the articles concerned; any compensation rights are thus excluded for reasons of non-compliance with deadlines.

## 10. COMPLAINTS

10.1. Claims relating to incomplete, damaged or incorrect deliveries must be made immediately and in writing within fifteen days of receipt of the goods. Otherwise, the supply will be deemed accepted.

10.2. Claims for manufacturing defects in the equipment supplied, for the period indicated in the product warranty, shall be accepted only where they have been used under normal conditions and for the purposes that they were designed for, have been correctly installed in accordance with the standards in force and have been used within the characteristics expressly indicated for this purpose.

10.3. Unless the defect is obvious and visible, ARLÓGICA will accept the claim definitively (by exchanging the equipment or issuing the respective credit note) only after a period of up to two weeks from the date of the claim, for verification and confirmation of the defect reported.

10.4. Any other claims may be heeded only when duly substantiated and submitted within fifteen days of the date of delivery of the equipment.

10.5. All items that are defective during the warranty period will be repaired or replaced without any costs to the purchaser, provided that there is a cause for the defect at the time of the risk transfer.

10.6. Beforehand, ARLÓGICA must be granted a reasonable deadline to remedy the defect.

10.7. Claims will not be accepted on the basis of slight deviations of quality and agreed characteristics, slight limitations to the use of the product, as well as in natural wear or damage occurring after the risk transfer and following improper use or misuse.

10.8. ARLÓGICA reserves the right to reject any claims when the purchaser does not present the damaged material within 4 weeks of request. This is not applicable in cases where the submission of the article becomes impossible due to its characteristics or its installation.

## 11. RETURNS

11.1. Returns will be accepted only after prior agreement by ARLÓGICA and on condition that the equipment and/or goods are returned in good condition and packaged in their original packaging. In these cases, ARLÓGICA will depreciate a value corresponding to 10% of the initial sale value, to cover any expenses incurred, such as: transport, reception, inspection, etc.

## 12. LIABILITY

12.1. The liability of ARLÓGICA is limited to the goods and services contained in the purchase order/specifications, taking no responsibility for merchandise provided by third parties or services not provided by ARLÓGICA.

12.2. ARLÓGICA cannot be held liable for profits lost due to repairs on goods supplied, whether for malfunctions, delayed deliveries or operating anomalies.

12.3. All claims for damages caused to third parties are excluded, to the extent permitted by LAW, when arising from normal operation of the equipment purchased.

12.4. ARLÓGICA takes no responsibility for the correct operation or defects in products manufactured in accordance with client instructions.

12.5. Any intervention not validated/authorised by ARLÓGICA in the equipment provided frees ARLÓGICA of any liability thereon, the existing warranty on the product ceasing immediately.

## 13. CREDIT ASSIGNMENT

13.1. The Client authorises the transfer of the credits that ARLÓGICA holds on them, resulting from the current commercial activity, to Financial Institutions or Factoring companies, legally established and registered for that purpose, arising from the provisions of article 577 of the Civil Code.

13.2. Due to the good business relationship, ARLÓGICA undertakes to safeguard potential commercial issues from future attempts of coercive collection by financial operators, on invoices that present pending commercial disputes.

13.3. It is the responsibility of the Client to proceed to good and timely payment of invoices to ARLÓGICA or to whomever they appoint, arising from the assignment of credits as authorised above.

## 14. INDUSTRIAL AND INTELLECTUAL PROPERTY RIGHTS, MOULDS

14.1. ARLÓGICA reserves all industrial property rights and intellectual rights in respect of drawings, models and similar information, which may only be made available to third parties after their prior consent.

14.2. For sketches and drawings developed by ARLÓGICA, the exclusive right of manufacture is safeguarded in all cases in relation to the corresponding item. It is not permitted to transmit or reproduce this documentation, as well as the tools, evaluation and communication of its content, whenever not expressly authorised. Transgression entails compensation for damages and losses. All rights are reserved in respect of patent granting cases. The

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purchaser has the assurance that the manufacture and delivery of objects, carried out in accordance with their indications, does not violate the protection rights of third parties. Moulds, patterns and other devices remain our exclusive property, even if the purchaser has borne the expenses.

14.3. Whenever ARLÓGICA manufactures or produces the models or moulds at the client's request, they will charge part of the costs separately on the invoice. Given that this cost share does not cover the costs of the sketching, initial construction or technical knowledge and maintenance, the models and moulds, as well as the tools, including accessories, remain the property of ARLÓGICA. The costs of moulds, among others, are paid by submitting the invoice plus the legal tax, where applicable. After 3 years counted since the last delivery of the manufactured article, the obligation of conservation by ARLÓGICA ceases.

14.4. If the supply must correspond to drawings, models, samples or parts provided by the purchaser, the latter shall ensure that this does not violate the industrial property rights of third parties. The purchaser shall exempt ARLÓGICA against claims from third parties and proceed to the payment of damages incurred. If we are prevented by a third party from producing or supplying a particular product, on the basis of the invocation of a proprietary right held by them, ARLÓGICA has the right to discontinue work without verifying the legal issue until it is duly clarified by the purchaser and the third party. We also reserve the right to terminate the contract if the delay precludes the proper continuation of the work.

## **15. MISCELLANEOUS PROVISIONS**

15.1. Any conditionality to the order, required or claimed by the client, that does not fit within the general sales conditions, or in the particular conditions of each product, shall be deemed null and void, unless confirmed in writing by ARLÓGICA.

15.2. Total or partial nullity of any of the conditions expressed in these general sales conditions will not affect the full validity of all others.

## **16. CONFIDENTIALITY AND RIGHT TO GOOD NAME**

16.1. The Client undertakes to treat with secrecy and absolute confidentiality all and any information received from ARLÓGICA, and to use it for the purposes that they are intended for.

16.2. The Client is responsible for defending the good name of ARLÓGICA with third parties, arising from the normal business relationship. Any situation that may compromise the image or good name of ARLÓGICA entitles them to be compensated for damages and profits lost that such situation may entail.

## **17. COMPETENT LEGAL FORUM AND OTHERS**

17.1. For the settlement and assessment of all issues emerging from the present sales conditions, including their validity, interpretation and application, the Judicial Court of the District of Guimarães is competent, expressly waiving any other, if not otherwise imposed by statute.

17.2. The Court of the District of Guimarães is also established as the

exclusive forum to settle disputes between the parties arising from the commercial relationship.

17.3. The present general sales terms and conditions are governed by Portuguese and European legislation applicable to the matter.