

GENERAL SALES CONDITIONS (GSC) – GEMÜ

1 – INTRODUCTION

The present General Sales Conditions (“GSC”) are applied to all Agreements concluded within Brazil, and are part of the **commercial proposal** (“Proposal”) between Gemü and the Buyer (altogether referred to as “Parties”). Any modifications will only be valid if previously negotiated between the Parties and with express consent of Gemü. In case of any discrepancy between the Proposal and GSC, what is written on the Proposal will prevail.

2 – PRICES

2.1 – The prices offered on the proposal are net, consider the applicable taxes and:

- The characteristics and quantities specified;
- The delivery terms: Ex-Works Gemü Brazil;
- May be readjusted in accordance to clause 3 of this GSC;
- May be altered by Gemü if there is an event that modifies taxes, including the alteration of rates, cancellation of tax exemptions or creation of new taxes within the term of the agreement. The reduction or raise to the prices will be proportional to the tax alteration.

2.2 – The prices do not include:

- Freight and insurance, except when previously negotiated between the Parties and formalized in writing;
- The Brazilian tax on industrialized products (IPI) that will be charged accordingly to the rates applicable at the moment of invoicing;
- Drawings, Identification, Memorandum of Calculation, Paintings, Special Surface Finishing and Special Packaging, except when previously agreed and negotiated by the Parties.

2.3 – In case the Buyer requests any amendments which may influence the price, Gemü will provide a complementary proposal, in accordance to these GSC:

- The requested amendments will only be considered after a feasibility study performed by Gemü and if the products are not already in production;
- The non-acceptance of the new price by the Buyer will not automatically imply the cancellation of the original order.

3 – MONETARY CORRECTION

Except if agreed otherwise, all the prices will be increased of monetary correction, in accordance with the calculation method presented at the Proposal:

- The monetary correction will be calculated until the date of invoicing, regardless of the term of the Agreement;
- Any installments related to payments made in advance will be readjusted until the payment date.

4 – PAYMENT CONDITIONS

4.1 – The payment terms are those informed in the Proposal;

4.2 – In the event of late payment, the Buyer will incur in monetary adjustment and interest rates applicable to the market over the delayed amount, calculated until the effective payment, notwithstanding with other ways of compensation;

4.3 – In case of payment delay, Gemü reserves its right to suspend or reschedule deliveries, including delays resulting from earlier situations caused by Gemü.

5 – DELIVERY DATE

5.1 – The delivery dates are counted as consecutive days from the date of the order confirmation, as long as all the technical information is available to begin the production continuous and uninterrupted. In case the Buyer requests certified drawings for approval, the delivery time will be considered after the receipt of the approved drawings from the Buyer.

5.2 – When products in stock are offered, the delivery time has to be confirmed when of the receipt of the purchase order.

5.3 – Gemü will not be responsible for production or delivery delays, resulting directly or indirectly of:

- force majeure or hardship, according to article 393 of the Brazilian Civil Code, especially in the event of actions from Public Authorities, not only related to Gemü but also to its suppliers, hindering the import process, raw material acquisition, production, transport or dispatching.
- Any delay caused by the Buyer, in regard to its obligations.
- Information adjustment by the Buyer, which affects the production.

5.4 – If any of the situations above occur, the delivery time will be automatically extended for an equal period.

5.5. Gemü reserves its right to deliver and invoice only part of the products, except if agreed otherwise in the Purchase Order.

6 – PENALTIES

Penalties regarding delays in the delivery will only be accepted when previously approved by Gemü and included in the Proposal/Purchase Order.

7 – INSPECTION

7.1 – If the Buyer wishes to perform an inspection of the purchased products before shipment, this must be informed in the price quotation and confirmed in the purchase order. The Buyer must send an inspector within the maximum period of 7 (seven) running days from the notification that the products are available for inspection.

7.2 – If the inspection is not carried out in the determined period informed on item 7.1, it will be at Gemü’s discretion:

- To consider the products as approved, invoice them and ship them, where the Buyer will not be able to refuse the receipt due to the lack of inspection;
- To accept an inspection reschedule, and charge the Buyer for all costs involved in the process.

7.3 – In no circumstance Gemü will bear inspection expenses, even when the products have been rejected in previous inspections.

8 – RETURNS

8.1 – Returns will only be accepted with prior notice and acceptance from Gemü.

8.2 – The receipt of returned products will not imply the cancelation of the order.

9 – CANCELLATION

9.1 – No cancellation of orders will be accepted without prior notice and acceptance by Gemü.

9.2 – If the cancellation of the order is accepted, all of the production costs incurred until the cancellation date will be charged from the Buyer.

10 – WARRANTY

10.1 – Gemü warrants its products in regard to their quality and perfect operation for 12 (twelve) months since the invoice date, if the products are being used; and 18 (eighteen) months since the invoice date, if the products are in stock.

10.2 – During the warranty period, Gemü ensures its products from manufacturing defects, when subjected to normal conditions of use and conservation, and obliges itself to perform the necessary repairs within its factory.

10.3 – The warranty for replaced pieces will end simultaneously to the warranty of the original pieces.

10.4 – The present warranty is not valid if the defect was caused by accident, by normal wear and tear, inappropriate use, installation, maneuvers and misuse, inadequate storage, assembly made out of technical standards, negligent transport and/or if the Buyer has made repairs or alterations on its own, or by a non-authorized party.

10.5 – Gemü is expressly excluded from any responsibility for any direct or indirect damage caused to the customer or to third parties by the supplied products, restricting Gemü’s liability exclusively to repair the product by its personnel in its factory.

10.6 – For accessories and equipment which are not manufactured by Gemü (for example: pilot valves, limit switches, positioners, etc), the warranty hereby offered will be similar to the warranty provided by the original supplier, including its term.

11- PROPOSAL’S VALIDITY

The Proposal will be valid for 10 (ten) days from its presentation, for all conditions contained on the GSC, except when specifically discussed and agreed by the Parties.