

1. OBJECT

1.1. The purpose of the Purchase Order to the Subcontractor includes, at the Subcontractor's expense, all necessary preparatory and accessory works, namely:

1.1.1. Those which, although not expressly mentioned, are, in accordance with good craft standards, complementary to those which are the object of the Subcontract.

1.1.2. The assembly, disassembly, maintenance and cleaning of the construction site and workplaces.

1.1.3. The appropriate means to ensure the safety of the people employed at the construction site and of the public, to prevent damage to neighbouring buildings and to comply with road safety and police regulations.

1.1.4. The re-establishment, by provisional works, of all the easements and accesses that must be altered, substituted and/or destroyed.

1.1.5. The respect for good environmental practices, management, and separation of waste, as well as evidence that the waste is delivered to operators licenced for this purpose.

2. PLANNING, EXECUTION AND QUALITY OF WORKS

2.1. The Subcontractor undertakes to carry out the works in accordance with the work awarded and to comply with the requirements of the respective approval documents, and with the instructions that may be transmitted by the Contractor and/or Site Supervisors.

2.2. The Subcontractor undertakes to introduce adjustments in the execution of its activities in relation to what was planned if this requires the need for coordination and global planning of the Works Contract.

2.3. The Subcontractor may, at its own discretion, visit and inspect, prior to the execution of the works, the site of execution of the work, to ascertain all conditions of the site of execution of the work and respective accesses, which may influence the execution of the Subcontract works.

2.4. The materials, equipment, and other construction elements to be applied must comply with the regulations in force and be of adequate quality to comply with the provisions of the Tender Specifications and the project. Prior to their incorporation, they must be presented to the Contractor for approval.

2.5. The rejection or non-approval by the Contractor, directly or indirectly, of any material, equipment, or construction element, shall imply its immediate removal from the work site, at the Subcontractor's expense.

2.6. Any tests provided for in the Tender Specifications, in the regulations in force, in the inspection and testing programme (PIE), or in the Contractor's quality system, are the Subcontractor's responsibility.

2.7. If a quality system is implemented in the Works Contract, the Subcontractor undertakes to comply with it.

2.8. If any work is requested whose price is not foreseen in the Purchase Order, it is imperative, both for its execution and the adjustment of its price, that the quantities and prices are agreed in advance by means of an AMENDMENT, signed by both parties, which will be attached to the initial Purchase Order.

2.9. The Subcontractor expressly recognises that, under special circumstances or depending on the needs of the Work, Silva & Vinha, S.A. may decide to carry out on its own or through a third party, a part of the work, provided this does not mean a reduction of more than 25% (twenty-

five percent) of the volume of work awarded, without this entailing for Silva & Vinha, S.A. any obligation to compensate the Subcontractor.

3. MANAGEMENT AND SUPERVISION OF THE WORKS

3.1. The Subcontractor undertakes to have on site, its start to its completion, a technician with the appropriate qualifications for the job and accepted as such by the Contractor.

3.2. The technician indicated in 3.1. and/or the Subcontractor's managers must attend the meetings called in any way by the Contractor.

3.3. The Contractor's and the Supervision's power to inspect includes, broadly, but not restrictively, the verification of the exact compliance with the project and its alterations, the tender specifications and the work plan, the execution procedures, the compliance with safety standards and in general the compliance with the good construction rules.

3.4. The Supervision, which should be carried out without disturbing the normal progress of the works, in no way reduces or removes the responsibility of the Subcontractor.

4. EXECUTION DEADLINES

4.1. The Subcontractor undertakes to start the works on the date agreed with the Contractor and to carry them out in accordance with the agreed programme of works, in compliance with the overall and partial deadlines established and agreed upon.

4.2. Without prejudice to the applicable legal provisions regarding work during extraordinary periods, the Subcontractor is required, upon prior notice addressed to it by the Site Management, to reinforce the labour force assigned to the Subcontract and/or to keep it working beyond the regular working hours, as well as on Saturdays, Sundays and holidays, whenever delays occur or compliance with the overall or partial deadlines is at risk for reasons attributable to the Subcontractor, and shall be liable for any costs arising therefrom.

4.3. In case of delay in execution, the Contractor is entitled to claim a contractual penalty of 0.2% of the order amount per business day, which shall not exceed 10% of the total amount, without prejudice to the cancellation of the order.

5. PRICING, INVOICING AND PAYMENTS

5.1. Subcontracting will be carried out on an agreed price basis.

5.2. The invoicing will be carried out in accordance with the conditions agreed upon and set out in the Purchase Order.

5.3. The invoice must include the Purchase Order number and be accompanied by the Measurement Reports approved by the Contractor's Technical Department.

The Subcontractor's IBAN must also be provided for the processing of the bank transfer.

5.4. If extra work is carried out, which will always result from a written order by the Contractor, the invoice must state "EXTRA WORK".

5.5. Payments shall be made from the date of receipt of the invoices by the Contractor at its headquarters, and not in any branch office or construction site.

5.6. No payment shall be made to the Subcontractor unless, cumulatively:

5.6.1. The Subcontractor has submitted all the policies and proof of payment of the respective mandatory insurances foreseen in paragraph 7.

5.7. It is expressly understood, under the terms and for the purposes of Article 577 of the Civil Code, that the Subcontractor may not assign, by any means, in whole or in part, any credits resulting from the award, namely through the conclusion of Factoring Contracts, unless, for such purpose, it obtains the written authorisation of Silva & Vinha, S.A.

6. GUARANTEE

6.1. The guarantee period will begin upon signature of the provisional acceptance document and will be as follows:

- a)** 10 (ten) years, in the case of defects related to structural elements.
- b)** 5 (five) years, in the case of defects related to non-structural construction elements or technical installations.
- c)** 2 (two) years, in the case of defects related to equipment associated with the work, but which can be separated from it.

6.1.1. If partial provisional acceptance has occurred, the guarantee periods provided for under the terms of the previous paragraph shall also apply to each of the parts of the work that have been received by the Contractor.

6.2. The Subcontractor shall also bear:

- a)** The costs resulting from the supply of complementary services or tasks necessary to correct the defects it may incur.
- b)** The costs of repairing work carried out by other parties involved in the works, whenever such repair is due to faulty execution of the works for which they are liable.

6.3. If the Subcontractor fails to comply or inadequately complies with the provisions of 6.2 within a reasonable period set for this purpose, the Contractor may, at the Subcontractor's expense, remedy the defects or refer them to a third party and reimburse the costs thereof as follows:

6.3.1. By debiting the Subcontractor, with a payment term set in advance.

6.4. Whenever requested by the Contractor, the Subcontractor must provide a Bank Guarantee or Deposit of 5% of the amount awarded.

7. INSURANCE

7.1. The Subcontractor is solely responsible, and will be liable directly before the Contractor, for all accidents, losses or damage occurring in the course of the work awarded, or caused by it to the work in general, either during the execution phase or during the respective guarantee period, as a result of the performance or the action of its agents, workers or other employees in its service, the poor performance or lack of safety of the works, materials, construction elements or auxiliary equipment directly related to the works under its control.

7.2. The Subcontractor shall be liable, under the same terms described in the preceding paragraph, for loss or damage to property or personal injury caused to "Third Parties" in general, as well as for loss or damage caused to materials, temporary facilities, machinery and auxiliary equipment of the Contractor or others.

7.3. The Subcontractor shall at its own expense take out and maintain in force the following Insurance Contracts:

- a)** Accidents at Work - under the terms of the law in force, covering all personnel in its service during the execution of the Subcontract.
- b)** Motor Civil Liability – under the terms of the compulsory insurance law in force, for every motor vehicle at its service that it uses for activities or work connected with the execution of the work.
- c)** Construction Machinery – under the customary terms in the national insurance market, to cover the risks of work, including assembly and disassembly, of all goods belonging to the construction site, machinery,

and auxiliary construction equipment that it may use or bring to the place of performance of the Subcontract.

d) Transported goods – in the form of a "Cargo Insurance Clause - Clause a)" covering the materials and equipment included in the supplies for which the Subcontractor is responsible, necessary for the execution of this Subcontract, during transportation between the acquisition warehouses and the storage place at the construction sites, including the corresponding loading and unloading. This obligation may, however, be transferred to the respective suppliers or transporters.

e) Third Party Liability – that covers possible damage caused to people and property during the execution of the work, with minimum capital cover of 750,000.00 Euros (seven hundred and fifty thousand Euros).

7.4. The Subcontractor undertakes to submit to the Contractor, before starting the execution of the Subcontract, copies of the policies and proof of payment of the insurance it is required to take out under the terms of the preceding paragraph.

7.5. The Contractor reserves the right to suspend any payments due to the Subcontractor in the event of non-compliance with 7.4.

8. SAFETY AND LABOUR STANDARDS

8.1. The Subcontractor undertakes to comply with the safety standards and site regulations stipulated by the Site Management. Furthermore, and in addition to all the legal provisions to which it is bound, the Subcontractor undertakes to comply strictly with the Health and Safety Plan of the Work, as well as the Safety Procedure Sheets.

8.2. The Subcontractor undertakes to make available and to ensure that all workers at its service on the Site wear all equipment required by law, and all equipment that may be stipulated by the Contractor, namely and among others, the use of safety helmets and safety boots, protective gloves, safety belts, rubber boots, safety glasses, ear plugs and waterproof suits.

8.3. Without prejudice to the liabilities resulting therefrom, whenever the Subcontractor fails to distribute the safety and security equipment, the Contractor may distribute the missing equipment instead of the Subcontractor, deducting the respective costs from the payment due to the Subcontractor, immediately after the occurrence of such fact.

8.4. The Subcontractor's employees working on the site will not have a contractual relationship with the Contractor, and the Subcontractor shall be solely responsible for the economic, fiscal and parafiscal charges with the hired labour.

8.5. With respect to the labour force at its service, the Subcontractor undertakes to comply with the laws and legal regulations of employment, especially regarding legal provisions on the employment of minors and resident or non-resident foreigners.

8.6. The Subcontractor further undertakes to strictly comply with the legal and regulatory provisions in force concerning accidents at work and occupational diseases in relation to all employees at its service and is responsible for any charges resulting therefrom. Furthermore, in the case of accidents at work, the Subcontractor undertakes to inform, communicate, and report within 24 (twenty-four) hours to the Site Management, the A.C.T. (Authority for Work Conditions (or the corresponding entity)) and the Insurers all accidents that may occur to its workers.

8.7. All charges concerning accidents at work, as defined by Law No. 98/2009 of September 4, 2009, occurring to any of the Subcontractor's employees shall be the responsibility of the Subcontractor, who is required to transfer such responsibility to an insurance company, as provided in 8.7. and 8. 8.

8.8. It is expressly understood that the Subcontractor is solely responsible for the consequences resulting from the breach of the obligations set forth in the preceding paragraphs, namely those resulting from infringements of the legislation on the matter and is solely responsible for the payment of any penalties applied because of such infringement.

8.9. If the Contractor suffers any harmful consequences because of the Subcontractor's failure to comply with labour standards, the Subcontractor is entitled to claim for reimbursement for the damage incurred.

8.10. The labour employed by the Subcontractor must be always adequate, in quality and number, for the type and magnitude of the works to be carried out. In any case, Silva & Vinha, S.A. may order the dismissal of personnel who, in its opinion, are not sufficiently qualified to execute the work, or who adopt attitudes that are manifestly harmful to the work.

8.11. If the Subcontractor intentionally or negligently commits serious violations of specific legislation or of the Health and Safety Plan of the Work, as a penal compensatory clause, it shall pay the Contractor the amount of 5,000.00 Euros (five thousand Euros) for each violation that it commits.

8.12. Continuous improvement is one of the cornerstones of the management system at Silva & Vinha, so it is essential that we evaluate the services provided by our partners according to the following criteria:

- a) deadline fulfilment.
- b) working methods and adaptation to those of the company.
- c) compliance with health and safety standards.
- d) compliance with environmental standards and good practices.
- e) response capacity in the event of technical assistance.
- f) capacity and quality of execution.

Without prejudice to continuous communication regarding possible occurrences, the assessment we carry out with our partners is communicated twice a year if it is negative or if any corrective action is required on their part. In these cases, requalification is required to qualify as a regular supplier.

9. SAFETY CULTURE LADDER CERTIFICATION

9.1. Silva & Vinha S.A. is internationally certified in Safety Culture by Safety Culture Ladder. This certification is essentially based on the demonstration that the company has safety culture indexes within the various parameters defined by the Standard.

9.2. To comply with the safety culture parameters defined in the Standard, various actions were taken aimed at implementing safe behaviour within our organisation, covering all those who provide services to Silva & Vinha.

9.3. All subcontractors should be aware of our field actions and be available to be involved and participate in them.

9.4. Although it is not mandatory, all Subcontractors providing services to Silva & Vinha shall be available to:

- a) participate in daily safety dialogues.
- b) participate in security walks (if called upon).
- c) participate in technical sessions on Safety Culture Ladder actions.
- d) provide an e-mail address to receive the safety culture communications that Silva & Vinha provides.
- e) provide information on request to share best practices.
- f) actively participate in, and respond to, behavioural audits organised by Silva & Vinha SA.

10. SUSPENSION OF SUBCONTRACT WORK

10.1. Should the Works be suspended by the Client or due to legal impediment, the award of the works shall also be suspended.

10.2. The Contractor may withdraw from the execution of the Subcontract by notice to the Subcontractor by registered letter, without giving any reason.

10.3. The withdrawal provided for in the preceding paragraph shall take effect on the date indicated by the Contractor and shall not entitle the Subcontractor to any right to compensation.

11. AUTHORISATION TO OPERATE

11.1. The Subcontractor states that it is duly authorised and certified by the competent State Authorities, to carry out public works and/or civil construction, in accordance with the provisions of Decree-Law 18/2008 of January 29. These authorisations must be contained in valid certificates of classifications of Industrial Contractors of Civil Construction, and the Subcontractor is required to provide evidence of such authorisations.

11.2. If the Contractor suffers any loss, irrespective of its nature, due to the Subcontractor's non-compliance, regarding the absence or insufficiency of the authorisations and classes legally provided for the exercise of its activity, the Subcontractor shall be liable for all damages that directly or indirectly result therefrom.