HONOUR

LEGAL & COMMERCIAL

Terms of Sales

General terms governing quotations, orders, delivery, claims and liability.

01	02	03	04
Written confirmation Orders become binding through accepted or mutually confirmed commercial documents.	**Defined pricing basis** Copper-linked and spot pricing mechanisms are documented before order confirmation.	**Incoterms® allocation** Delivery obligations and transfer of risk follow the agreed trade rule.	**Traceable claims** Product, batch, delivery and inspection records support claim assessment.

These Terms of Sales ("Terms") define the general terms and conditions applicable to the sale and supply of products by HONOUR ("Seller") to its customers ("Buyer").

These Terms apply to all quotations, purchase orders, proforma invoices, sales confirmations and other commercial transactions unless otherwise agreed in writing by both parties.

PART 01

Contract and commercial foundation

Who the parties are, how a transaction becomes binding, and which document governs if written terms conflict.

01 General Provisions

The Seller supplies products according to the specifications, standards and commercial conditions agreed between the Seller and Buyer.

The Buyer acknowledges that purchase decisions shall be based on the technical specifications, applicable standards, installation requirements and commercial conditions provided or confirmed by the Seller.

These Terms establish the general rights and obligations of both parties during the commercial relationship.

02 Seller and Buyer Definition

"Seller" means the legal entity of HONOUR identified in the relevant quotation, proforma invoice (PI), sales confirmation, purchase order (PO), framework agreement or other written commercial documents.

"Buyer" means the customer purchasing products from the Seller.

The rights and obligations stated in these Terms apply to both parties unless otherwise modified by a specific written agreement.

03 Contract Formation and Document Priority

A sales contract shall be considered established when the Seller accepts the Buyer’s order or when both parties confirm the transaction through written commercial documents.

The applicable commercial documents may include:

- Framework Agreement;
- Sales Contract;
- Sales Confirmation;
- Proforma Invoice (PI);
- Purchase Order (PO);
- Quotation;
- Other written agreements confirmed by both parties.

DOCUMENT PRIORITY

In case of inconsistency between documents, the specific written agreement mutually confirmed by both parties shall prevail. Unless otherwise agreed, these Terms shall apply as supplementary conditions to the transaction.

04 Product Specifications and Compliance

The Seller shall supply products according to the specifications, standards and requirements confirmed in the relevant commercial documents.

Product information may include:

- Product type;
- Cable specification;
- Applicable standards;
- Technical data;
- Packaging requirements;
- Delivery requirements.

The Buyer shall be responsible for confirming that the selected products are suitable for their intended application, installation environment and project requirements.

The Seller may provide technical information and documentation to support product evaluation; however, final application suitability shall remain the responsibility of the Buyer or the qualified project party.

05 Quotations and Price Validity

The Seller provides quotations based on the commercial conditions, material costs, market conditions and technical requirements applicable at the quotation date.

Unless otherwise specified, quotations are subject to the validity period stated in the quotation document.

Different pricing mechanisms may apply depending on the quotation type.

06 Pricing Mechanisms

6.1 Copper-Linked Pricing

For quotations based on copper-linked pricing mechanisms, including but not limited to:

- LME Copper-linked pricing;
- Westmetall Copper-linked pricing.

The final product price shall be adjusted according to the copper reference, adjustment formula and commercial conditions stated in the quotation.

Copper price fluctuations after quotation may result in corresponding price adjustments according to the agreed mechanism.

6.2 Spot Pricing

For spot quotations:

- The quotation validity period is three (3) working days unless otherwise specified;
- Price validity is based on the market conditions applicable at the quotation date;
- Any order confirmation after the validity period may require price reconfirmation.

07 Order Placement and Confirmation

The Buyer shall provide complete and accurate order information, including but not limited to:

- Product specification;
- Quantity;
- Packaging requirements;
- Delivery destination;
- Required delivery date;
- Applicable commercial requirements.

The Seller shall confirm order acceptance through written confirmation.

Production or shipment arrangements shall begin only after order confirmation and completion of agreed commercial conditions.

08 Payment Terms

Payment terms shall be subject to the conditions specified in the applicable quotation, proforma invoice (PI), purchase order (PO), sales confirmation, framework agreement or other written commercial documents agreed by both parties.

The Buyer shall make payments according to the agreed payment schedule.

SCHEDULE DEPENDENCY Failure to complete payment according to the agreed terms may affect production, shipment or delivery arrangements.

PART 02

Delivery, inspection and claims

How delivery responsibilities are allocated, when risk transfers, and how the Buyer should inspect and report non-conformity.

09 Delivery Terms and Risk Transfer

Delivery terms shall be determined according to the Incoterms® rules specified in the relevant commercial documents.

HONOUR commonly applies international trade terms including:

- FOB
- CIF
- DAP
- DAT
- EXW

Risk transfer shall follow the applicable Incoterms® rules agreed between the parties.

The Buyer shall be responsible for providing accurate delivery information and necessary import-related requirements unless otherwise agreed.

10 Production, Delivery Schedule and Delays

The Seller shall make reasonable efforts to meet the agreed delivery schedule.

Delivery periods may be affected by:

- Order confirmation date;
- Payment completion;
- Product specifications;
- Packaging requirements;
- Shipping arrangements;
- Force majeure events.

DELAY OUTSIDE CONTROL The Seller shall not be liable for delays caused by circumstances beyond reasonable control.

11 Inspection and Acceptance

The Buyer shall inspect the delivered products after receipt.

11.1 Quantity and Packaging Inspection

Any shortage, incorrect quantity or visible packaging damage shall be reported within one (1) calendar month after delivery.

Claims submitted after this period may not be accepted unless otherwise agreed.

11.2 Product Quality and Non-Conformity Claims

The Buyer shall notify the Seller of any apparent product quality issue within five (5) working days after discovery.

The Buyer shall provide sufficient supporting evidence, including but not limited to:

- Product identification;
- Batch information;
- Photos or videos;
- Inspection results;
- Relevant purchase and delivery records.

Supporting evidence shall be submitted within five (5) working days after claim notification unless otherwise agreed.

12 Detailed Claim Procedure

For any commercial or quality-related claim, the following procedure shall apply:

STEP 01
Claim Notification

The Buyer shall submit a written claim describing:

- Claim reason;
- Affected products;
- Quantity involved;
- Product identification;
- Supporting documents.

STEP 02
Initial Review

The Seller shall review the submitted information and confirm receipt of the claim.

The Seller may request additional information necessary for investigation.

STEP 03
Investigation and Evaluation

The Seller shall evaluate the claim based on available information, including:

- Production records;
- Quality inspection records;
- Product traceability information;
- Technical requirements.

Where necessary, both parties may conduct further technical evaluation.

STEP 04
Claim Resolution

If responsibility is confirmed, the Seller and Buyer shall agree on appropriate corrective action according to the applicable commercial agreement and warranty conditions.

- Replacement;
- Repair where applicable;
- Other mutually agreed solutions.

PART 03

Warranty, ownership and liability

The supporting records, allocation of ownership and risk, exceptional events, and the agreed limits of responsibility.

13 Warranty

Warranty obligations shall be governed by the applicable Warranty Policy or warranty terms provided by the Seller.

Warranty coverage applies only to defects caused by manufacturing, material or workmanship issues under proper installation, operation and maintenance conditions.

Warranty exclusions, claim procedures and remedies shall follow the applicable warranty terms.

14 Product Traceability and Documentation

The Seller maintains product identification and traceability records to support quality investigation and warranty management.

Products may be identified through:

- Product marking;
- Batch information;
- Drum identification;
- Production records;
- Delivery records.

The Buyer shall retain relevant product identification information for future reference and warranty support.

15 Title Transfer

Ownership

Unless otherwise agreed in writing, ownership of products shall transfer to the Buyer only after full payment has been received by the Seller.

SEPARATE FROM RISK Risk transfer shall be determined separately according to the agreed Incoterms® rule.

16 Force Majeure

Neither party shall be liable for failure or delay in performing its obligations when such failure results from events beyond reasonable control, including but not limited to:

- Natural disasters;
- War or armed conflict;
- Government actions;
- Trade restrictions;
- Epidemics or public emergencies;
- Transportation interruption;
- Supply chain disruption;
- Energy shortages;
- Other circumstances beyond reasonable control.

The affected party shall notify the other party within a reasonable period after becoming aware of the force majeure event.

17 Limitation of Liability

The Seller’s total liability arising from any transaction shall not exceed the value of the affected products unless otherwise required by applicable law.

The Seller shall not be liable for indirect, incidental or consequential losses, including but not limited to:

- Loss of profit;
- Loss of revenue;
- Loss of power generation;
- Project delays;
- Third-party claims;
- Business interruption.

PART 04

Applicable law and final provisions

The legal framework for international sales, the agreed route for resolving disputes, and the documents forming the complete agreement.

18 Applicable Law and Dispute Resolution

International sales

The United Nations Convention on Contracts for the International Sale of Goods (CISG) shall apply to international sales transactions unless otherwise excluded or modified by written agreement.

Applicable national laws may additionally apply according to the agreed commercial relationship and transaction structure.

The parties shall first attempt to resolve any dispute through good-faith negotiation.

If no settlement can be reached, disputes shall be resolved through arbitration or competent courts as agreed in the relevant commercial documents.

19 Entire Agreement

These Terms, together with the applicable quotation, PI, sales confirmation, purchase order, framework agreement and other written agreements, constitute the complete understanding between the parties regarding the relevant transaction.

Any amendment or deviation shall be valid only if confirmed in writing by both parties.

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