

GENERAL CONDITIONS OF PURCHASE OF PRENSAS SCHULER S/A

I - Validity and Order

I.1 - This document is intended to regulate the relationship between **PRENSAS SCHULER S/A**, hereinafter referred to as "**SCHULER** " and its suppliers of goods, materials, products, and services, hereinafter individually and interchangeably referred to as "**SUPPLIER**", being applicable to all purchases of goods and services carried out by **SCHULER**, constituting its terms under the governing conditions for such acquisitions of goods, materials, products and services, hereinafter referred to as "**Purchase order**", prevailing over any other conditions for sale already issued or to be issued by the **SUPPLIER**.

I. 1.1 - Any special conditions for a given supply shall only become binding between the parties if they are laid down in writing in the Purchase Order or in a complementary document that is mentioned in the Purchase Order.

I. 1.2 -Wherever there is a divergence between the General Conditions of Purchase and the particular conditions of the Purchase Order and/or its annexes, the latter shall prevail, provided that the requirement of the previous subitem is satisfied.

I. 1.3 -The presentation of quotations, proposals or confirmation of the Purchase Order, as well as the supply of the requested material, will correspond to the tacit agreement to the clauses of other conditions defined herein.

I. 1.4 - The amendment of any clause of these General Conditions of Purchase or in the modification of the Purchase Order subject to prior written acceptance of the **SCHULER**.

I. 2 -The confirmation by **SUPPLIER** of the **SCHULER's** request must be made in writing and within a maximum period of 10 (ten) consecutive days from the issuance of the said request.

I. 2.1 - If there is no confirmation by the **SUPPLIER** within the aforementioned period, it is tacitly established the total acceptance the terms of the Purchase Order and the **SCHULER** may, if it so wishes withdraw its request.

Any document (email from the supplier with acceptance of the purchase order or proof that the manufacture was started) - by picture or follow up report - will be considered as a tacit approval by the supplier.

I. 3 - The request cannot be transferred by the **SUPPLIER** to third parties, without the prior written consent of **SCHULER**.

I. 4. - The **SUPPLIER** has agreed to supply, in the form, quantity, quality, specifications, delivery period, price and payment conditions defined in the Purchase Order, issued in accordance with the **SCHULER's** needs, with no possible right or expectation of rights on the part of the **SUPPLIER** in what concerns the exclusivity, quantity, frequency, price and form of payment of future Purchase Orders.

I. 5 – The **SUPPLIER** recognizes its attachment to this instrument, stating that it has the technical and financial capacity to provide the services, goods, equipment, products, materials, according to the highest levels of security, quality, reliability and technical support required by **SCHULER**, and ensures competitive levels of costs.

I. 6 – The **SUPPLIER** by accepting the Purchase Order, expressly waives its own general conditions of supply, accepting in full these General Conditions for the purchase of goods, materials, and services in all its terms and conditions. Any deviations from these General Conditions will only be valid if agreed by the Parties in writing in a specific document and will be an integral part of the Purchase Order.

II - Price

II. 1 - The price indicated in the Purchase Order and fixed and non-adjustable, can only be amended with the prior written agreement of the **SCHULER**.

II.1.1 **SCHULER** may require a reduction in price, provided that there is a decrease in the prices of the component parts of the commodity, the manpower used for its production or the services of the **SUPPLIER**, through corroborating documents and official basis, and can only be modified with the prior agreement of the supplier.

III - Supply

III.1 - The supply must correspond to the Purchase Order and be perfectly in accordance with the technical specifications and other characteristics described, which will be verified during its manufacture and if necessary, in the inspection of the receipt at **SCHULER**.

III.2 - Delivery times must be strictly observed by the **SUPPLIER**, being the **SCHULER** with the right to cancel the Purchase Order if delivery is not made within the stipulated period.

III. 3 - It is the sole responsibility of **SUPPLIER** the losses and damages resulting from the cancellation of an order due to delay in delivery or in the inadequacy of services and goods to the established technical conditions.

III.4 - The goods or services must be delivered/provided in the place determined by the **SCHULER**.

IV • Transport and Packaging

IV.1 - The good must be packed according to the specifications of the **SCHULER** or, failing such specifications, under the supplier definition, always ensuring the safety and integrity of the product, verified and confirmed upon receipt at the premises of the **SCHULER**.

IV.2 - The expenses with packing are borne by the **SUPPLIER**. Freight and insurance expenses are linked to the negotiated Incoterm, which may or may not be charged to the **SUPPLIER**. In the event that the packaging, freight and insurance are borne by the **SUPPLIER**, he is in charge of until the official acceptance of the commodity by the **SCHULER**, as well as those that are not in perfect conditions of use, at the discretion of **SCHULER**.

IV.3 - The **SCHULER** is not responsible for any accident that **SUPPLIER**' employees or of third parties designated by him or her shall suffer in their premises.

IV.4 - The **SUPPLIER** shall be responsible for the preservation of the goods it transports, solely and exclusively responsible for the occurrence of any events involving the transportation of the cargo and exempts the **SCHULER** of any resulting liability, on its behalf, the **SUPPLIER**, the payment of all expenses, indemnities and payments arising from such events, as well as the disposal or destruction of goods, civilly and criminally responsible for all damages caused to the environment, to **SCHULER** assets or to third parties, as well as those caused to the physical integrity of its employees, **SCHULER**'s employees or third parties.

V - Acceptance and Warranty

V.1 - Any payment of the price does not imply acceptance of the order of the goods or services by the **SCHULER**. **SCHULER** will have the 90 (ninety) days from the date of receipt, to reject it, agreeing on the **SUPPLIER** to return of the whole, based on control of incurring the burden and expenses incurred, including the return of the amounts paid or, at the **SCHULER** discretion, with compensation at future invoices.

V.1.1 - The **SCHULER** does not indemnify the **SUPPLIER** by the parts or goods unused in the tests.

V.2 - At any time, the **SCHULER** may return the goods are defective, that have not been established by quality control, being the **SUPPLIER** responsible for the charges and the total expenses of its replacement.

V.3 -The acceptance of melt supply, even if subjected to normal quality tests, is subject to the efficient machining of the melt, when any defects or imperfections can only be determined at this stage, even after annealing or aging processes.

V.4 - The good that is rejected by the **SCHULER** shall be made available to the **SUPPLIER**, which shall withdraw it at his own risk.

V.4.1– In addition, it is the liability of the **SUPPLIER**, the possible tax burdens that result from the return of the good.

V.5 – The **SUPPLIER** guarantees that the goods covered by the Purchase Order comply with all agreed specifications and requirements, and are suitable for the particular purposes of the **SCHULER**, which are free from defects in design, material and manufacture, and which satisfactorily meet the performance requirements expected by **SCHULER**, complying also all applicable legal standards and

requirements, especially those related to the environment, safety and regulatory laws.

V.6 - The **SUPPLIER** will be responsible for the functionality of the product object of the Purchase Order, and the functionality refers to all product attributes and/or services provided.

V.6.1 - The **SUPPLIER** shall be responsible for compliance levels, quality, recalls, field service actions, infringement claims and all other costs incurred related to the product functionality provided to the **SCHULER**.

VI – Billing and Collection

VI.1 – The Invoices must be issued up to the deadline of the 25th of each month and must be delivered at **SCHULER** up until on the third-to-last working day of each month. The invoices should be issued with absolute clarity, with strict observance of the legal and fiscal provisions. The number of our order (s) and respective item numbers should be included in the body of the invoices. The **SCHULER** you will not receive invoices with more than 150 items, as this is a limitation of the SAP system. We also emphasize the need to consider that billing invoices must be the "mirror" of the Purchase Order, i.e., each item of the order must have the corresponding item, including its details in the invoice.

VI.1.1 -The **SUPPLIER** should carefully consider the place of delivery of the goods, for the numbers of State Registration and CNPJ - National Registry of Legal Persons, as well as address for billing, indicated in the Purchase Order, NCM, Source of material and taxes.

VI.2 – The **SCHULER**, by internal guideline, only makes payments through a bank deposit to the **SUPPLIER**. Exceptions must be negotiated and duly agreed in writing between the Parties.

VI.3 - The **SUPPLIER** is obliged to, in the event total or partial return of the goods, as provided for in items V.4 and V.4.1, is aware that Schuler will not be obliged to pay for the returned product.

VI.3.1 - With the payment related to the merchandise being rejected, the **SUPPLIER** it is obliged to immediately return to **SCHULER** the amount paid, recognizing right away the value as net and correct.

VI.4 - The possible expenses incurred by the **SCHULER** with the return shall be debited from the **SUPPLIER**.

VI.5 The assignment of any securities, duplicates and/or any obligations arising from these General Conditions of Purchase or Purchase Order by the **SUPPLIER** is forbidden. Failure to comply with this condition will give rise to justified termination, and the **SUPPLIER** will be responsible for the applicable reimbursements and penalties.

VII - Intellectual Property

VII.1 – If **SCHULER** provides for the manufacture of the goods or services, technical information, drawings, specifications or trademarks, shall **SUPPLIER** maintain

absolute secrecy, being forbidden its use in the manufacture for third parties.

VII.2 -The **SUPPLIER** shall be responsible for the consequences of any claims of infringements of trademarks or patents arising from the use of the merchandise supplied, and shall **SCHULER** in the actions that are moved to it with such foundation, besides indemnifying it of the damages that will suffer due to these claims.

VII.3 - The technical information, drawings, specifications, **SCHULER** shall not be copied, transmitted or disseminated by the **SUPPLIER** without the prior and express authorization of the **SCHULER**.

VII.4 - The **SUPPLIER** recognizes the unlawful act of manufacturing and trade that is not the subject of a Purchase Order of the **SCHULER** of any good based on **SCHULER** drawings, designs or samples, whether or not they have been manufactured and marketed using the name or under the distinctive marks and **SCHULER**.

VII.5 - The template drawings and samples, as well as the parts, equipment, tooling and technical specifications delivered and entrusted to the **SUPPLIER** for execution of the Purchase Order, exclusively aim at this execution and, therefore, assigned free of charge and precariously by the **SCHULER**, to it, must be returned by **SUPPLIER**, once delivered and accepted the good object of the Purchase Order, or at any time, if the **SCHULER** request it.

VII.6- Once the Purchase Order has been executed, the **SUPPLIER** grants **SCHULER** comprehensive and total warranty that the good that it will supply is not, and will not be produced with violation or counterfeiting of patents of invention or of exclusive licenses of its use, ensuring to the **SCHULER** the free and legitimate use and trade of these goods in Brazil and abroad.

VIII • Cancellation

VIII.1 -The present request may be canceled, without it being a burden to **SCHULER**, regardless of judicial or extrajudicial notification, in the following cases:

a) - For reasons of force majeure, such as strikes, fires, revolutions, wars, partial or total stoppage of services or manufacturing, making **SCHULER** impossible to ensure continuity to its production.

b) - In case of bankruptcy, judicial recovery or insolvency of the **SUPPLIER**.

c) - If the **SUPPLIER** violates any of the clauses set forth in these General Conditions of Purchase and in the Purchase Order, safeguarding the determination of losses and damages by **SCHULER** as a result of termination.

d) If any social amendment of the **SUPPLIER** which, at the discretion of **SCHULER**, imports in the modification of its technical, operational, professional or financial qualification.

e) The assignment, sale, or transfer to third parties by the **SUPPLIER** obligations assumed in the present General

Conditions of Purchase and the Purchase Order, without the prior consent of the **SCHULER** in writing.

IX - Supplier Obligations

IX.1 - The **SUPPLIER** must comply with the regulations and standards of the **SCHULER**, as well as the legal requirements in force on Medicine, Safety and Hygiene at Work, Information Security, Environment specific legislation, during the execution of the activities, object of the Purchase Order.

IX.2 - Be fully responsible for the **SCHULER** property assets under its guard, on a lending basis or not.

IX.3 - Meet all the **SCHULER** requirements when required to identify its employees, collaborators, subcontractors, materials, equipment, tools and vehicles for the performance of the services in the establishment of the **SCHULER**.

IX.4 - The **SUPPLIER** shall provide all its employees, collaborators, subcontractors, personal protective equipment necessary for the services provided, object of the Purchase Order, according to nature of the risks and duly approved by the Ministry of Labor.

IX.5 - The **SUPPLIER** shall ensure and supervise that its employees, agents or subcontractors comply with all safety and environmental standards adopted by the **SCHULER**, exempting **SCHULER** of any liability in case of damages caused to third parties, its employees or **SCHULER** employees, if the supplier fails to comply with the safety guidelines. The **SCHULER**, in no event will be responsible for accidents and/or deaths of employees and/or agents, subcontractors of the **SUPPLIER**, even if they arise from facts occurring within the establishment of the **SCHULER**.

IX.6 - Compensate any damage caused to the **SCHULER** and/or third parties, caused by inefficiency or irregularities committed in the execution of the supply and/or services subject to the Purchase Order.

IX.7 - The **SUPPLIER** shall indemnify the **SCHULER** of all the losses and damages actually incurred, exempting it from any claims, actions, damages, obligations, expenses, including attorney's fees and other expenses arising from any administrative, judicial, and/or labor, civil and/or tax debts owed, whose retention and collection to the collecting agencies is the sole responsibility of the **SUPPLIER**, whose defense will be affected by lawyers duly chosen and contracted by the **SCHULER**. This responsibility shall remain for as long as the right to such claims persists for any third party, including, but not limited to, the Judiciary, public administration agencies, Federal, State or Municipal Treasury.

IX.8 - The **SUPPLIER** is directly and wholly responsible, including after delivery of the object of purchase, for damages caused to the environment, in the civil, administrative and criminal levels, arising from any violation by the **SUPPLIER** of environmental laws and regulations, even if resulting from the action or omission of its employees, agents

or subcontractors, or from a fortuitous event or force, exempting the **SCHULER** and their clients and maintaining them harmless of any and all bonds of solidarity or subsidiarity.

IX.9 - All **SUPPLIER**'s employees who are engaged in the execution of the services covered by the Purchase Order, must be insured against risks of occupational accidents, at least coverage of social security, as well as other legal requirements of a labor, social security and tax nature, being responsible the **SUPPLIER**, solely and expressly for any default.

IX.10 - The **SUPPLIER** must keep up to date all licenses, permits, certificates and other documents required by municipal, state and federal legislation, which authorize the regular exercise of the activities subject to the General Conditions and the Purchase Order.

X - Confidentiality and Confidentiality

X.1 The **SUPPLIER**, in the exercise of its activities subject to the Purchase Order, whether through its directors, employees and representatives, shall be able to see the business information of **SCHULER**, reason why, hereby, undertakes not to disclose such facts and documents that may have to third parties unless expressly approved by **SCHULER**.

X. 1.2- It shall be considered as **CONFIDENTIAL INFORMATION** any and all information, equipment, know-how, technical documentation, as well as all designs, templates, samples, technical specifications and other information, including electronically filed and computerized data, transmitted in writing or electronically by one party to another, or that they have access based on the relationship established as a result of this instrument, which shall be treated by the parties as confidential during and after the expiration of this instrument.

X. 1.3 - Copying or any other form of reproduction of this information is forbidden except for the performance of obligations under this instrument and in accordance with applicable copyright and intellectual property law.

X.1.4 - It is expressly forbidden to **SUPPLIER**, for an indefinite period, use the **SCHULER** brand, as well as the release or, in any way, disclose information relating to its business relationship, except with the **SCHULER** express authorization.

XI.1.5 - The obligation will prevail for an indefinite period, even after the end of the Purchase Order.

XI.1.6 - If the conditions set forth herein are not met, the **SUPPLIER** and its directors shall be jointly and severally liable to the laws, civil and criminal law for the acts committed and for the damages and losses that may be caused.

XII - The Code of Conduct and Anti-Corruption Law

XII.1 The **SUPPLIER**, as represented herein, declares to be aware and in accordance with all the provisions contained in the Code of Conduct of **SCHULER** in its negotiations. The Acts of corruption, bribery and kickbacks are not accepted because they contradict with regular business procedures and unfair competition, as follows:

- a) The **SUPPLIER** has not offered or has paid, will not offer or pay, nor authorized or will authorize the offer or payment, directly or indirectly, of any amount or value, and likewise has not attempted or will attempted to unduly influence any Governmental Authority;
- b) The **SUPPLIER** will not make, offer or promise anything in payment or transfer of value, directly or indirectly, in connection with the trades contemplated by this Agreement or in connection with any other business transactions involving or for the benefit of **SCHULER** or any affiliated company to:
 1. Any civil servant or employee, including employees of public enterprises and mixed economy companies and international public organizations;
 2. To any political party, employee of a political party or candidate;
 3. For an intermediary for payments to any of the aforementioned;
 4. To any person or entity if such payment may constitute a violation of civil and criminal laws.
- c) Any type of payment or transfer of value that is made for the purpose or effect of public or commercial corruption, acceptance or acquiescence in extortion, bribery or other legal or improper means of obtaining business is strictly prohibited.

XII. 1.2 - The **SUPPLIER** declares that it is aware of, knows, understands and fully observes the applicable Anti-Corruption Laws, in particular, but not limited to, the provisions of Anti-Corruption Law 12.846/13 on the objective administrative and civil liability of legal persons for the performance of acts against public administration, national or foreign, as well as the rules of Compliance, which the **SUPPLIER** declares that it has knowledge, is obliged to maintain the highest standard of ethics and conduct in its business, practicing all acts with transparency, refraining from committing harmful acts against the national or foreign public administration, and also practicing any act that is offensive to morality and good manners, or commercial ethics, or that may be considered illegal or violate any current legislation. It is expressly agreed that the infringing party shall be the sole and exclusive responsible for the losses and/or damages arising from or related to the non-compliance with the

provisions of the above clause, in particular with regard to anti-corruption law 12.846/13, exempting the non-infringing party any responsibility in this regard.

XII. 1.3 The **SUPPLIER** shall ensure that its professionals, partners, employees, administrators, managers, agents, service providers, collaborators, or any other persons involved in the activities object of the Purchase Order follow the standards adopted in the Code of Conduct and the **SCHULER** guidelines, under penalty of civil and criminal liability, as well as repair immediately and at its expense, damages that cause to the **SCHULER** assets, and to the payment of compensation corresponding to any damages caused, including to third parties.

XII. 1.4 The violation of any of the above statements by the **SUPPLIER** shall be grounds for immediate termination of the Purchase Order by the **SCHULER**, without prejudice to the indemnifications due to damages, exempting the **SCHULER** of any responsibilities.

XIII - Lack of Links between Parties

XIII.1 - The present General Conditions of Purchase, as well as Purchase Order, does not generate for **SCHULER**, in relation to the **SUPPLIER** and the employees, agents, subcontractors, partners or third parties, any labor, civil or social security relationship, and for whatever **SUPPLIER** sole and exclusive responsibility for the employment contracts of its employees, including any possible labor default in which it may incur and cannot be accused the **SCHULER** solidarity, nor even subsidiary liability.

XIII.2 - It is the sole and exclusive liability of the **SUPPLIER** the payment of salaries and all other labor, civil, social security and social benefits of its employees or third parties related to the services or goods object of the Purchase Order, as well as transportation, meals and lodging / accommodation thereof, employment relationship between these employees and **SCHULER**, thereby excluding **SCHULER**, from any responsibility on these matters.

XIII. 3 - The **SUPPLIER** will not hire child labor under current legislation and will always require this same procedural criterion from its suppliers as well.

XIII. 4 - The present General Conditions of Purchase and the Purchase Order do not create between **SUPPLIER** and the **SCHULER** no form of association, representation, joint venture, or other similar relationship. It is hereby established that these Conditions of Purchase do not prejudice the current legal and economic independence between the Parties.

XIV - Miscellaneous

XIV.1 -The **SCHULER** may refuse goods or services whose documentation presents irregularities, answering the **SUPPLIER** by the irregularities, as well as additions due to the return, such as freight, insurance, etc.

XIV. 2 - At the end of the supply subject of the Purchase Order or in case of termination, the **SUPPLIER** shall return the **SCHULER** assets, including intangible assets (such as software), if applicable, besides to return to **SCHULER** the ability to perform the Supply on its behalf or by third parties contracted for that purpose, providing all assistance so that the supply continues to be provided without interruption or adverse effect until there is an orderly transfer of the supply to the **SCHULER** or its designee, unless otherwise provided for in the Purchase Order or specific agreement.

XIV. 3 - The **SUPPLIER** declares that it will not have to make any type of specific investment object of the Purchase Order, reason why it cannot claim any type of compensation or indemnity in the event that it is terminated or not renewed or canceled.

XIV. 4 - This General Conditions of Purchase do not grant the **SUPPLIER** any right of exclusivity and **SCHULER**, at any time, can contract other companies for the supplied object of the Purchase Order.

XIV.5 - The Parties undertake to inform each other, mutual and immediately, of any fact, act, omission or event that may materially and adversely affect, directly or indirectly, the provisions of these General Conditions of Purchase or the execution of the operations contemplated in the Purchase Order.

XIV.6 Any subsequent modification shall, in order to be valid, be subject to the addition of these General Conditions of Purchase and in a specific agreement duly signed by the parties.

XIV.7 Should any clause or provision of this instrument be annulled by force of law or declared void by virtue of a judicial decision, the remaining clauses or provisions shall remain in full.

XV - JURISDICTION

XV.1 – With the express resignation of any other, however privileged, is elected the forum of the District of Diadema, State of São Paulo, as the only competent to bring the measures that resolve the doubts that arise from these General Conditions of Purchase and of the Purchase Order.

XV.2 The law applied will always be Brazilian.

Status: Outubro 2018