

## GENERAL CONDITIONS FOR THE SUPPLY OF PRODUCTS AND SERVICES

Any and all supply of products and/or SERVICES agreed between ROMI and the CONTRACTOR are subject to the following clauses and conditions:

### 1. DEFINITIONS AND RULES OF INTERPRETATION

The following words and expressions, whenever used in this document or in any other related document, in the singular or plural, shall have the meaning attributed to them below:

- a) "ROMI" shall mean the company belonging to the economic group of Indústrias ROMI S.A.
- b) "CONTRACTOR" shall mean any individual or legal entity specified in the "Purchase Order" that may enter into an agreement for the supply of products or provision of SERVICES with ROMI.
- c) "SUPPLY" shall mean the SUPPLY OF SERVICES and/or SUPPLY OF PRODUCTS described and specified in the PURCHASE ORDER.
- d) "PURCHASE ORDER" or "PO" shall mean document issued by ROMI containing the technical and commercial conditions specific to the SUPPLY, such as: description of PRODUCTS or SERVICES to be supplied or provided, quantities, schedules dates, prices and applicable taxes, place of delivery, among others, and the OC can be divided into lines containing specific requests.
- e) "PRODUCT" shall mean any type or kind of goods, including, among others: raw material, inputs, components ready to use or to be manufactured on request or made to order, software, hardware, etc.
- f) "SERVICE" shall mean the provision by the CONTRACTOR to ROMI of any type of service, including, among other, any SERVICES provided on an occasional or continuous basis.
- g) "GENERAL CONDITIONS" shall mean these GENERAL CONDITIONS for the supply of PRODUCTS and provision of SERVICES, which establish the CONTRACTOR's and ROMI's rights and obligations applicable to the supply contemplated by the PO.
- h) "PARTY" shall mean the CONTRACTOR or ROMI whenever each is referred to individually.
- i) "PARTIES" shall mean the CONTRACTOR and ROMI whenever referred to collectively.
- j) "PURCHASING PLAN" shall mean the expected purchase of certain PRODUCT(s) specified by ROMI, merely as an estimate, in order to assist the

CONTRACTOR in its planning to meet the needs of ROMI, it being understood that it shall not constitute a commitment of purchase, but a way of ensuring that the PRODUCT will be available.

- k) "NONCONFORMITY REPORT" or "NCR" shall mean a report to be generated whenever ROMI verifies the existence of non-conforming PRODUCTS, i.e. with technical characteristics or specifications different from the PRODUCTS ordered.

### 2. PURPOSE

2.1. This Agreement sets out the clauses and conditions to be complied with by the PARTIES when (and if) ROMI actually orders a SUPPLY. Thus, once a SUPPLY agreement is executed, the clauses and conditions of this Agreement shall govern the respective legal relationship established between the PARTIES, without a guarantee of exclusivity.

2.2. If there is any inconsistency or conflict between the provisions of these GENERAL CONDITIONS or any other documents or instruments exchanged, sent or received by the CONTRACTOR and directly or indirectly related to the SUPPLY, the provisions set forth in these GENERAL CONDITIONS shall prevail.

2.3. All terms and conditions established in the PO shall be binding upon the PARTIES, and be automatically and irrevocably effective in any of the following events:

- a) upon response from the CONTRACTOR to ROMI; or
- b) except as otherwise expressly objected, within three (3) business days from the receipt of the PO and these General Conditions by the CONTRACTOR.

2.4. In the event that the PARTIES enter into a specific written agreement as a result of a certain SUPPLY, the clauses and conditions then agreed upon by the parties shall prevail in relation to the clauses and conditions of the General Conditions, which shall be complied with by the parties.

### 3. SUPPLY ORDER

3.1. Any and all SUPPLY order shall be made by sending to the CONTRACTOR a PO containing the conditions agreed upon by the PARTIES in connection with the SUPPLY.

3.2. In case of items to be supplied in accordance with drawings, CONTRACTOR shall verify if the version of the drawing referred to in the PO is the same as the one in its possession. If it is not the same version, CONTRACTOR must request ROMI to provide the updated version of the relevant drawing before it starts manufacturing the parts.

3.3. In the case of a SUPPLY OF PRODUCTS, ROMI

may, on a non-binding basis, provide the CONTRACTOR with a PURCHASING PLAN, in order to assist the CONTRACTOR in its planning to meet the needs of ROMI.

#### **4. PRICE AND PAYMENT**

4.1. Except as otherwise agreed by the PARTIES, ROMI shall make payment within the time and in the manner described in the PO, provided that in the case of a SUPPLY OF PRODUCTS, the products have been delivered and accepted by ROMI, and in the case of a SUPPLY OF SERVICES, the SERVICES have been duly accepted by ROMI.

4.2. If any invoice is not in accordance with the provisions contained in the PO, ROMI is entitled to withhold payment until such invoice is corrected, without any costs.

4.3. If any irregularity in a payment already made is found by ROMI, then ROMI is entitled to choose between deducting such amount from the next payment and notifying the CONTRACTOR for reimbursement.

4.4. It is expressly forbidden for the CONTRACTED PARTY to issue any credit title against ROMI due to the SUPPLY, as well as to negotiate, guarantee or discount any unduly issued titles with banks or third parties, except with the express consent of ROMI.

4.5. CONTRACTOR agrees not to file a protest against ROMI for non-payment or delay in payment without a prior written notice to ROMI.

4.6. ROMI may deduct from the amount payable to the CONTRACTOR any amounts relating to fines and compensation to which it may be entitled arising out of the SUPPLY. All fines set forth in this Agreement may be required to be paid cumulatively, regardless of any allegation of loss.

4.7. A failure by the CONTRACTOR to comply with any of its obligations will entitle ROMI to suspend payment until such obligations are fulfilled.

#### **5. TAXES**

5.1. All taxes that may be payable as a direct or indirect result of the SERVICES being performed or the supply of PRODUCTS constitute costs to be paid by the respective taxpayer, as defined in tax laws in force.

5.2. In the case of a SUPPLY OF SERVICES where there is an assignment of workforce or turnkey services, CONTRACTOR undertakes to separately communicate to ROMI the costs with workforce and the costs with equipment and materials, for the purposes of tax withholding, as set forth in the social security laws in force.

#### **6. OBLIGATIONS**

6.1. CONTRACTOR agrees to, at its own risk and expense and without any costs for ROMI, in regard to the type of SUPPLY agreed herein, among other related obligations:

- a) SUPPLY all PRODUCTS in packaging appropriate for the type of transport to be used (air, road, river or sea), in order to prevent movement of the packages within the cargo spaces associated with each type of transportation, and damage to the PRODUCTS.
- b) SUPPLY the products/services requested by ROMI within the agreed delivery time, incoterms, place of delivery, except in extraordinary circumstances, as previously agreed between the PARTIES.
  - b1) In case of delay in the delivery of the PRODUCTS and / or SERVICES, the CONTRACTOR shall be responsible for all freight costs.
- c) communicate to ROMI the discontinuance of PRODUCTS supplied to ROMI at least 12 months in advance.
- d) send or update any documentation related to the PRODUCTS/SERVICES as requested by ROMI.
- e) comply with ROMI's Compliance Program, where applicable, or declare that it has its own program, which fully complies with the points addressed by the ROMI's Program, as well as complying with the applicable internal rules and policies of the ROMI in the provision of services.
- f) be solely responsible for the SERVICES provided, including as to the employment relationship of its employees and/or subcontractors, holding ROMI harmless from any responsibility, complying and ensuring the compliance by its employees and/or subcontractors with all laws associated with occupational environment, occupational health and safety;
- g) perform its activities in accordance with the applicable legislation, holding ROMI harmless from any responsibility by virtue of such failure to perform or non-compliance;
- h) maintain valid and effective licenses and authorizations required for the performance of its obligations as described in the PO and these GENERAL CONDITIONS;
- i) purchase a civil liability insurance policy for the purposes of compensation of material damage and bodily injury in the event of an accident during the performance of the SERVICES.
- j) be responsible for the technical quality of the SUPPLY, by repairing, correcting, removing, rebuilding or replacing, at its own expense, in whole or in part, the products and SERVICES

contemplated by the PO with vices, defects (apparent or hidden) or flaws resulting from a failure to meet any specifications or poor quality of the materials used and/or staff employed to perform the SERVICES;

- k) not to hire, directly or indirectly, any employee of ROMI for as long as the PARTIES have a commercial relationship and for a period of twelve (12) months following the termination thereof, except if previously authorized by ROMI, under penalty of cancellation of the PO and imposition of a fine to the CONTRACTOR in an amount equal to twelve (12) times the salary paid by ROMI to the respective employee at the time of the violation, without prejudice to losses and damages.
- l) observe and respect ROMI's SUPPLIER MANUAL available on the website <http://www.romi.com/suppliers>.

6.2. Without prejudice to the aforementioned obligations, CONTRACTOR agrees to provide ROMI with the documents specified below, in the event that the SERVICES are provided within ROMI's facilities:

- a) employee registration information (updated);
- b) passport with the respective work permit;
- c) declaration containing the name of the workers assigned to the service; the estimated time of execution; liability for these workers, assumption of liability by the CONTRACTOR, statement attesting the health of the employee.

6.2.1. ROMI may require the presentation of additional documents wherever required.

6.3. Without prejudice to other provisions set forth in the law, any failure by the CONTRACTOR to comply with the obligations described in items 6.1 and 6.2 above will entitle the PRINCIPAL to suspend the performance of or cancel the SUPPLY, regardless of any formality, without prejudice to the PRINCIPAL's right to receive a compensation for losses and damages to which it may be entitled, as well as require the imposition of the penalties set forth herein.

## **7. NON-CONFORMING PRODUCTS**

7.1. In the event of receipt of PRODUCTS which do not meet the specifications described in the PO, ROMI may at its sole discretion and based on the level of criticality for use of the material in question:

- a) reject and return the PRODUCT, and the CONTRACTOR shall reimburse ROMI for all expenses that may be incurred by ROMI to make such return.
- b) purchase an equivalent PRODUCT from third parties, and the CONTRACTOR shall reimburse ROMI for any price differences between those

offered by the CONTRACTOR and the prices of the PRODUCTS and SERVICES purchased by ROMI from third parties;

- c) require the PRODUCT to be replaced or re-done;
- d) request a rework, to be performed by itself or by third parties, in this case, the amount spent by ROMI will be charged to the CONTRACTOR;
- e) cancel the SUPPLY.

7.2. ROMI may issue a "Nonconformity Report (NCR)" in case of receipt of PRODUCT(S) outside the specifications described in the PO or PRODUCTS with problems only discovered after they are marketed.

7.2.1. The CONTRACTOR shall have a period of two (2) days to reply, counted from the receipt of the Non-Conformity Report.

7.3. Based on the "NCR", ROMI may impose the following penalties to CONTRACTOR:

- a) reimbursement for costs resulting from an eventual rework done by itself or third parties.
- b) removal of the CONTRACTOR from the list of suppliers, according to ROMI's performance evaluation system, and the consequent impossibility to enter into new deals with ROMI.

7.4. All reimbursements shall be made in accordance with the provisions set forth in clause 4.6 of these "GENERAL CONDITIONS".

## **8. DELAY**

8.1. Delays will be considered as deliveries made and registered at the ROMI ordinance on a date after the delivery signed in the PO.

8.2. In case of delay in delivery, the CONTRACTOR will be subject to the payment of a fine corresponding to 2% (two percent) of the value of the products belonging to that delivery.

8.3. ROMI undertakes to send to the CONTRACTOR the documents that prove the delayed deliveries in the period in question.

8.4. The CONTRACTOR shall have five working days to comment on the documents sent by ROMI.

8.5. The collection of reimbursements will be carried out in accordance with the provisions of Clause 4.6 of these "GENERAL CONDITIONS".

8.6. The CONTRACTOR who reaches a monthly Punctuality Index equal to or greater than 90% (ninety percent) will be exempt from the charge indicated in Clause 8.2.

8.7. The Punctuality Index is the ratio between the number of PO lines delivered without delay and the total number of PO lines delivered in the same period.

## **9. WARRANTY**

9.1. CONTRACTOR hereby assumes, under the law, full responsibility for the SUPPLY, undertaking to deliver the products and/or perform the services in strict accordance with all technical specifications applicable thereto, also being responsible for its suppliers.

9.2. CONTRACTOR is responsible for the correct functioning of all PRODUCTS, ensuring their quality and the quality of their components for a minimum period of twelve (12) months from the delivery of the PRODUCT, with the highest possible quality, including as to suitability, safety and absence of defects.

9.3. Without prejudice to the foregoing, CONTRACTOR agrees to, at its own expense, correct all defects in the SUPPLY. Such corrections shall commence within forty-eight (48) hours from the receipt of written communication from ROMI in this regard. CONTRACTOR agrees to complete such activities within the shortest time possible, which shall not exceed ten (10) days, under penalty of having to reimburse ROMI for all expenses incurred thereby, including with the hiring of third parties to perform the SERVICES in question. In this case, such expenses shall be reimbursed within a period agreed between the parties.

## **10. AUDIT**

10.1. ROMI may audit the works of the CONTRACTOR by means of its agents, who may prepare reports and specify all problems found in the SUPPLY – “NCR”.

10.2. ROMI, on its own behalf and on behalf of third parties, reserves the right to perform technical tests and trials, at any time, for the purpose of confirming that the PRODUCTS supplied by the CONTRACTOR comply with and meet all technical rules and specifications required by ROMI. If it is proved that the material does not meet ROMI's requirements, all the costs with such trials shall be paid by the CONTRACTOR, as set forth in clause 4.6.

## **11. PROVISION OF SERVICES/MOLDS OWNED BY ROMI AND/OR BY ROMI'S CUSTOMERS**

11.1. The use of tools, molds or any other means owned by ROMI and/or by ROMI's customers is permitted solely and exclusively in relation to the PRODUCTS/SERVICES to be supplied to ROMI. In this case, ROMI will provide the CONTRACTOR, as a loan for use, with the necessary tools, it being understood that such loan for use is attached to the SUPPLY. If there is no specific contract, the loan for use in question shall be valid for an indefinite period, and ROMI may request at any time the return of such tools, and the CONTRACTOR agrees to promptly return them, at its own expense, to ROMI's address.

## **12. SUBCONTRACTORS**

12.1. CONTRACTOR shall not subcontract, in whole or in part, the performance of the SERVICES, without the prior written authorization of ROMI. If the CONTRACTOR does so, it shall not release CONTRACTOR from its responsibility or reduce the CONTRACTOR's responsibility for such SERVICE, and the CONTRACTOR hereby assumes the condition of co-obligor and jointly liable in relation to the subcontractor for all corresponding obligations, as debtor and main payer.

## **13. TERM**

13.1. This term will remain in effect as long as the duration of the SUPPLY.

13.2. In the event of a non-compliance or inadequate compliance with any of its obligations, CONTRACTOR shall pay to ROMI a daily delinquent fine of one percent (1%) of the total price of the SUPPLY, up to the limit of ten percent (10%) of said amount.

13.3. In the event of any force majeure or acts of God which demonstrably hinder the performance of any of its obligations, CONTRACTOR shall, within five (5) days, communicate the occurrence of such event to ROMI. If the CONTRACTOR's allegation is accepted, the period to comply with such obligation is automatically extended for as long as the event lasts. Shortage of workforce, materials or utilities, as well as any delay on the part of the CONTRACTOR's subcontractors shall not be considered to be a valid justification for the failure to comply with any of its obligations.

## **14. SUSPENSION, MODIFICATION AND CANCELLATION**

14.1. ROMI may order the suspension, modification or cancellation of a SUPPLY at any time, without additional costs or without due cause, by means of a thirty (30)-day written notice to the CONTRACTOR. If a change order increases the scope, the remuneration to be paid to the CONTRACTOR shall be adjusted based on prices described in the PROPOSAL.

14.2. Without prejudice to the innocent PARTY's right to require the enforcement thereof (article 475 of the Brazilian Civil Code), any SUPPLY may be cancelled by operation of law in the following events:

- a) if either PARTY files for voluntary or involuntary bankruptcy, or in case of reorganization of either PARTY; and/or
- b) failure by either PARTY to comply with any clause or condition set forth in this Agreement, in the PO and/or in further related documents, and provided that it is notified in writing, the infringing PARTY fails to remedy such breach within a period of ten (10) days from the date of receipt of said notice.



14.3. If, for any reason, a SUPPLY is terminated prior to the period set forth in the PROPOSAL, CONTRACTOR undertakes to return the amount of any payment made if the relevant portion of services or products has not been fulfilled yet, or is not used by ROMI. CONTRACTOR hereby authorizes ROMI to, at its sole discretion, enforce the warranty provided by the CONTRACTOR, if any. However, in the event that the CONTRACTOR has delivered a part of the PRODUCTS and/or provided a portion of the SERVICES, the CONTRACTOR will be receive a partial payment proportionally to the quantity of PRODUCTS actually delivered and/or SERVICES actually provided, provided that they can be used by ROMI, at its sole discretion.

## **15. DATA USE**

15.1. The CONTRACTOR is aware that ROMI may have access to, use, maintain and process information and data from individuals, exclusively for the specific purposes of this contract, as well as access the data available on the product, including operating and production data, of remotely, regardless of request or notice, with which the CONTRACTOR hereby expresses its consent.

## **16. OTHER PROVISIONS**

16.1. These GENERAL CONDITIONS, the PO or the Agreement shall not create, either now or in the future, an employment relationship between ROMI and the CONTRACTOR and/or their legal representatives, employees, agents or subcontractors.

16.2. If any administrative or legal claim or proceeding of any nature is filed against ROMI and/or its managers, agents and employees with respect to a matter which is the responsibility of the CONTRACTOR, ROMI shall notify the CONTRACTOR in order for the latter to take over the conduct of all proceedings related to the respective defense, and the CONTRACTOR shall, in or out of court, indemnify and hold ROMI harmless to the fullest extent permitted by law, either directly or by way of recourse, as the case may be, and pay all the costs, expenses, attorney's fees (contractual and legal fees borne by the loser in a judicial dispute), losses, penalties, among others, which may arise from such claim or proceeding. In the event of a seizure of ROMI's assets and/or the assets of its managers, agents and employees, CONTRACTOR shall arrange for, within a maximum of twenty-four (24) hours, the cessation of such seizure, and the CONTRACTOR shall take all applicable actions required to do so, in order to hold them harmless from any effect arising out of such claim or proceeding.

16.3. Any compensation or fines payable by ROMI to the CONTRACTOR shall be limited to ten percent (10%) of the overall value of the PO.

16.4. CONTRACTOR declares to meet and have all authorizations, licenses, requirements and skills

required for the performance of its activities, in order to not affect the performance efficiency of ROMI's management system, as well as comply with all rules described in the PO and these GENERAL CONDITIONS, and which meet the government requirements with respect to safety and environment, as set forth in the regulation in force in Brazil with respect to the manufacturing and marketing of the PRODUCTS to be supplied to ROMI.

16.5. The PARTIES agree that all intellectual property rights (including computerized information) that they may have on the PRODUCTS/SERVICES are and will always continue to be the property of the PARTY holding them on the date of start of each SUPPLY, even if temporarily assigned to the other PARTY to allow the proper provision of the SERVICES/PRODUCTS. CONTRACTOR hereby agrees that all PRODUCTS created during the performance of a SUPPLY shall be the property of ROMI.

16.6. CONTRACTOR ensures that it does not infringe any intellectual property rights or any other kind of third parties' ownership rights in the performance of its activities and the delivery of the supply.

16.7. It is prohibited to use the name, trademark, patent or any other form of ROMI's intellectual property without its prior written consent, under penalty of imposition of a fine and compensation for losses and damages.

16.8. CONTRACTOR shall treat as confidential all information that may be disclosed by ROMI, including, but not limited to: any data, materials, information, documents and technical specifications of which it may become aware or to which it may have access, or that may be disclosed to it, whether related or not to the purpose of the PO or the Agreement. This obligation shall be valid for a period of five (5) years following the performance of all obligations of the CONTRACTOR, or termination of the PO or the Agreement.

16.9. Any modification in the SUPPLY is valid only if made in writing and executed by the PARTIES.

16.10. A failure by either PARTY to exercise any right, power or remedy guaranteed by the law or by this Agreement, and a waiver of a breach or delay in the performance of any obligations set forth herein, shall not constitute a novation or waiver.

16.11. The CONTRACTOR may not assign and / or sell the drawings and parts manufactured under ROMI's design to third parties, without prior written authorization, under penalty of disqualification as ROMI's supplier and application of the applicable legal sanctions.

## **17. JURISDICTION**

17.1 In the event of disagreement, the parties will



attempt to resolve their disputes amicably if they are unable to reach an agreement, such disagreements shall be settled by arbitration.

The arbitration shall be conducted in accordance with the Rules of the CIESP / FIESP Chamber of Conciliation, Mediation and Arbitration, with headquarters in São Paulo, the entity elected to administer the arbitration procedure. Paragraph 1. The arbitration shall be conducted by three arbitrators. Paragraph 2. The arbitration shall be based in São Paulo. Paragraph 3. The official language of the arbitration shall be Portuguese. Paragraph 4. The arbitration shall be governed by the laws of the Federative Republic of Brazil. Paragraph 5. The parties may appeal to the Judiciary only when it is necessary to grant emergency measures or if the value under discussion is less than the estimated cost of the arbitration, at which time the central forum of the district of Santa Bárbara d'Oeste -SP, expressly renouncing any other.