



GENERAL CONDITIONS FOR PURCHASING

These General Conditions for Supply of Services and/or Materials (the "**General Conditions**") govern the Supply Contracts (as defined below) between **TEKSID DO BRASIL LTDA ("TEKSID")** and the natural person and/or entity (the "**Supplier**")

Whereas:

- **TEKSID** actuates in the manufacture and supply of automotive parts in cast iron, under the request of several clients in accordance with the required technical specifications;
- The **SUPPLIER** has the technical and financial capacity to provide services, goods, equipment, products, materials ("**Goods**", as defined below) in accordance with the highest levels of safety, quality, reliability and technical support required by **TEKSID**, and ensures competitive cost levels;
- The **SUPPLIER** has agreed to provide services, goods, equipment, products, materials, in the form, quantity, quality, term, price and payment conditions defined in the Purchase Orders, issued according to the needs of **TEKSID**, not generating any eventual standard in the Purchase Orders of any right or expectation of rights by the **SUPPLIER** with respect to the quantity, frequency, price and form of payment of future Purchase Orders.

1. GENERAL

1.1. The purpose of this document, subject to the legal and contractual provisions applicable to the sort, is to regulate, together with the contract and/or Purchase Order, the rights and obligations of those who contract with **TEKSID**, including all of its affiliates, supplies of goods e/or execution of works and services rendering, by **SUPPLIERS**.

1.2. The **SUPPLIER**, as it makes the service supply and/or the material specified in the Purchase Order, confirms and also expresses his agreement with the specifications, pricing, delivery terms and duration contained in the Purchase Order as well as in these General Conditions for Purchasing.

1.3. It is prohibited, without prior written permission of **TEKSID**, the assignment or transfer of rights and obligations referred to in the Contract and/or Purchase Order agreed between **TEKSID** and the **SUPPLIER**.

1.4. The Purchase Order/Contract, the documents that compose it and the modifications accepted by **TEKSID**, constitute the solely regulatory stipulations for its supply.

1.5. In case of conflict between the Purchase Order and these General Conditions shall prevail the dispositions on the Purchase Order and/or Contract, and indirect or additional **Goods** involved, though not described or not priced in the Purchase Order and/or Contract shall be deemed in the services described on the Purchase Order.

1.6. The beginning of the supply of Services and/or Materials by the **SUPPLIER** shall be deemed for all legal purposes an implied statement that it has received all necessary information to meet the requirements of the contracted services. The **SUPPLIER** agrees and acknowledges that the dimensioning of its structure for the supply of the Services is at its sole responsibility.

2. DEFINITIONS AND INTERPRETATION

2.1. The following terms, when used in this GENERAL CONDITIONS FOR PURCHASING, spelled in the singular or plural shall be construed as defined below:

2.1.1. "**Goods**": are the goods, equipment, products, materials and contracted services and dully specified by **TEKSID**;



2.1.2. **"Supply"**: the delivery of goods, equipment, products, materials and services rendering by the **SUPPLIER**;

2.1.3. **"Supply Contract"**: means the agreement of wills on a non exclusive basis established between **TEKSID** and the **SUPPLIER**. The **Supply Contract** is materialized by these General Conditions, the Purchase Orders that may be issued by **TEKSID** and, when necessary, by specific contractual instrument;

2.1.4. **"Purchase Requirements"**: means the Purchase Requirements from **TEKSID** for **Goods** of any kind, whether be there goods or tangible or intangible rights, including, among others, direct or auxiliary materials, generic replacements, services, machinery and equipment;

2.1.5. **"Purchase Order or O.C."**: A document that bounds and authorizes the supply of products or services by the **SUPPLIER** to **TEKSID** indicating its subject, price, force, payment term and other technical and commercial conditions. These conditions shall apply to Purchase Orders issued by **TEKSID**, in writing or via electronic data transmission, and its terms are of binding application by the parties.

2.1.6. **"Quotation/Competition"**: means the process of competition in the modality of best price or best price and technique, as performed by **TEKSID**, from time to time, to qualify and accredit a Supplier of **Goods**.

2.1.7. **"TEKSID or TKB"**: means **TEKSID DO BRASIL LTDA**, a duly incorporated company with industrial plant located in Betim/MG;

2.1.8. **"SUPPLIER"** means any natural or legal person, duly authorized to supply **Goods** to **TEKSID**;

2.1.9. **"Parties"**: means **TEKSID** and the **SUPPLIER**, separately or together;

2.2. Other terms have their definitions and interpretations in the own clauses.

3. SUPPLY CONTRACT FOLLOW-UP AND/OR SPECIFIC AGREEMENTS

3.1. **TEKSID** may appoint duly accredited persons to follow-up the exact fulfillment of the Supply Contract and Specific Agreements, not implying such follow-up in waiver of the technical, legal and contractual obligations assumed by the Supplier.

3.2. In case of conflict between the Purchase Orders and these General Conditions, shall be prevailing the provisions in the General Conditions.

3.2.1. In case of conflict, the "Specific Agreements" shall prevail over the Purchase Orders and the General Conditions.

3.3. The Purchase Order can be optionally accepted by writing and when so required, obligatorily complied in the own body of the Purchase Order or through the supply execution.

3.4. These General Conditions along with the Purchase Order shall be sent by **TEKSID** to the Supplier by e-mail.

3.5. These General Conditions and the Purchase Order shall be deemed accepted when received by the Supplier, except in the case this one notify **TEKSID** about its intention to not accept them through one of the following means and within the respective periods: a) by letter, within the term of 72 (seventy two) hours from the reception of these General Conditions and/or the Purchase Order by the Supplier; or b) by e-mail within the term of 24h (twenty four hours) from the reception of the General Conditions and/or the Purchase Order by the Supplier.



3.6. The beginning of Supply by the Supplier shall be deemed, for all legal effects an implicit statement that it received all the information necessary to meet the requirements of the contracted services. The Supplier agrees and acknowledges that the dimensioning of its structure for the Supply is under its sole responsibility.

4. PRICE

4.1. The price set in the O.C. is fixed and non-adjustable, unless otherwise expressly authorized by **TEKSID** based on negotiations established jointly by the parties and unable to be changed, even by way of adjustment, except by express agreement of **TEKSID**.

4.2. **TEKSID** has the right to terminate the supply contract, to cancel in whole or in part in the event to judge unsuitable the prices changes claimed by the **SUPPLIER**.

4.3. Included in the agreed prices, except only what is expressly stated as **TEKSID's** responsibility, is the supply of all materials, labor, work, transportation of personal, social, labor and social security charges, insurance, food, equipment, personnel administration expenses and any taxes or contributions due or which may become payable due to the **Supply Contract** and/or for its execution.

4.4. The proposed prices shall include adequate packaging to protect the material for transport to the destination indicated in Price Collection, except to the extent otherwise provided in the Purchase Order.

4.5. All tax documents issued by the Supplier against **TEKSID** should be addressed as specified below, and any breach of this Clause by the Supplier will result in the non-recognition and, in consequence, the non-payment by **TEKSID** the document addressed in the wrong form without any liens or penalty to **TEKSID**:

TEKSID DO BRASIL LTDA.

Rua Senador Giovanni Agnelli, 230 a 906, Distrito Industrial Paulo Camilo Norte

Portaria 2, Setor de Recepção (Reception Sector)

Betim, Minas Gerais,

CEP (Zip code): 32681-080

4.5.1. In case the **SUPPLIER** issues Electronic invoice, this should be forwarded to the following e-mail:

a) recebimento.nfeletronica@teksid.com.br, when dealing with invoice for services rendering authorized by the City Hall,

b) Receb.nfe.teksid@grupofiat.com.br when dealing with invoice for sale of goods and/or equipment (model nr. 55), authorized by State or Federal Revenue.

4.5.1.1. The e-mail should contain only the xml file.

5. TAXES AND FEES

5.1. Taxes (taxes, charges, fees, fiscal and quasi-fiscal contributions) that are due resulting directly or indirectly from the respective contracting instrument or its execution will be under the sole responsibility of the **SUPPLIER**.

5.2. **TEKSID**, when retaining source, shall deduct and collect, within the terms of the current law, from the payments to perform, the taxes to which it is liable by the law in force.



5.2.1. The **SUPPLIER**, henceforth authorizes expressly and irrevocably that **TEKSID** execute, where applicable, the deduction of the amounts due by this, to INSS¹ due, arising directly or indirectly from the execution of the **Supply Contract**.

5.2.2. This value, if not properly highlighted in the invoice issued by the **SUPPLIER** will be collected by **TEKSID**, subject to the applicable legislation, at the maximum limit indicated by this.

5.3. If there is a change in the rate of any tax or legal charge incident or that comes to be incident directly on the Supply herein contracted, as well as the creation, deletion or replacement thereof, which be proved to directly influence the price, the adjustment or deduction will be subject to negotiation between the Parties.

5.4. The **SUPPLIER** is obliged to inform in advance to **TEKSID**, any change in its tributary regime, whether Federal, State or Municipal one, still forcing themselves to assume the responsibility before the Tax Authority, **TEKSID** and/or third parties, for any penalty and/or debt arising from the breach of this clause.

6. ABOUT THE SUPPLY, TRANSPORTATION AND DELIVERY TIME

6.1. At the supply, the **SUPPLIER** must observe and strictly comply with the location, the schedule, the conditions and the delivery rules, set forth in the Supply Contract, and the technical specifications and/or samples approved and released by **TEKSID**. It stands as expressly established that the qualitative conformity of the Goods and good delivery conditions are indispensable counterparts of prices paid by **TEKSID**.

6.2. Not met by the **SUPPLIER** the delivery deadlines, **TEKSID** at its sole discretion, may terminate the respective contract instrument, regardless of warning or interpellation and without supervening on it any penalty, the rescission being characterized by the delivery of **Goods** out of the established deadline, without prejudice to the application of the dispositions on item 16.1.

6.3. **TEKSID** is entitled to refuse or to return quantities in excess of **Goods** sent by the **SUPPLIER**, being able simultaneously and at its sole discretion, to declare canceled the respective Purchase Order, pursuant the provisions on item 6.2.

6.4. Occurring non-compliance of supply in which is required rework action and/or return of the **Goods** by **TEKSID** or its agents, all resulting costs will be reimbursed by the **SUPPLIER** to **TEKSID**, being also be subject to compensation by **TEKSID** at the first payment that may be due to the **SUPPLIER** and/or the following ones, such a procedure explicitly and irrevocably authorized by this.

6.5. If actions or omissions of the **SUPPLIER** result in failure to meet the delivery requirements to **TEKSID**, and **TEKSID** require a modality for transporting the goods faster than that originally has determined, the **SUPPLIER** shall send the **Goods** the most agile way possible, bearing with the costs involved, or **TEKSID** will do it, debiting to the **SUPPLIER**, the resulting costs in the first payment due and/or in the subsequent ones, without prejudice to the application of the provisions on item 16.1.

7. INSPECTION, CONTROL AND GUARANTY

7.1. The **SUPPLIER** guarantees/assures that the **Goods** and/or services covered by the respective contract instrument will be in accordance with specifications, drawings, samples or descriptions provided by **TEKSID** or formally agreed upon with it, being produced under the best technical conditions, with adequate labor and free of defects, as well as the

¹ Translator's Note: INSS – Instituto Nacional do Seguro Social – Brazilian National Institute of Social Security.



transportation made will be done in compliance with the regulations and standards of **TEKSID**, and the legal requirements in force concerning the Medicine, Health and Safety of Work, the specific legislation for the environment and from the fire department in the federal, state and municipal ambit.

7.2. The **SUPPLIER** further acknowledges that it is aware of the use of products and/or services intended by **TEKSID** and guarantees/assures that all products and/or services covered by the respective Supply Contract have been selected, designed, manufactured or assembled by the **SUPPLIER** based on the use specification established by **TEKSID**. will be adequate and sufficient for the specific purposes intended by **TEKSID**. The guranty period shall be that foreseen by the Brazilian law, unless **TEKSID** offers a longer period to its customers, voluntarily or by right of the protection standards and the consumer protection, in which case the longer term will be concomitantly applied..

7.2.1. Based on the quality control tests that comes to perform, **TEKSID** may, within (90) ninety days after its reception, reject the **Goods**, even that it has fully or partially paid for them, the **SUPPLIER** accepting the return and bearing the burdens and expenditures arising from this, including the return of the amounts paid or to be offset against future billings.

7.2.2. **TEKSID** will not be liable for indemnification of any nature resulting from the destruction of the **Goods** submitted to the quality control testing.

7.3. It is allowed to **TEKSID** the right to return the **Goods** due to defects or hidden imperfections, whatever their origin or nature.

7.3.1. The vices or hidden defects found in the **Goods** of a certain shipment, ensure to **TEKSID** the right to reject and return, wholly or partly, the Goods contained in that shipment.

7.3.2. The rejected **Goods** will be available to the **SUPPLIER**, or returned to it at its own risk, taking **TEKSID** the right, at its sole discretion, to require replacement at the same price, or consider the return as definitive, compensating in any case, any amounts already paid with future deliveries or demanding its reimbursement.

7.3.2.1. **TEKSID** is entitled to return the **Goods** to the **SUPPLIER** by virtue of hidden vices at any time. The **SUPPLIER** must provide to **TEKSID** a guaranty of their products in the similar period of the guaranty assured by **TEKSID** to its customers for their goods and products containing products/services object of this Purchase Order.

7.4. All costs resulting from tests, return or replacement of **Goods** are exclusively at the account of the **SUPPLIER**.

7.5. The non-conforming **Goods**, returned by the **SUPPLIER** to **TEKSID** should be immediately scrapped and under any circumstances can be sold or transferred to third parties.

7.6. The **Goods** delivered in disagreement with the contracted specifications, but which, at the discretion of **TEKSID**, can be used after simple repairs will be:

7.6.1. Returned to the **SUPPLIER** in order, at its own expenses and risk, to make the required repairs;

7.6.2. Repaired in the workshops of **TEKSID** through previous agreement of the **SUPPLIER**, who will pay, in this case, the cost of the services made.

7.7. Should be an urgent need to use the **Goods** to be repaired, **TEKSID** notifying the **SUPPLIER**, but acting independently of his confirmation to the preliminary agreement, may carry out the repairs required in its own workshops or workshops of third parties, however, being always reimbursed by the **SUPPLIER** of the costs and burdens arising from this.



7.8. Moreover, the quality control previously exercised by **TEKSID** not exempt or restricts the liability of the **SUPPLIER** for eventual losses caused to third parties, or to **TEKSID**, due to defects in the **Goods**.

7.9. The **SUPPLIER** not being the author of the project concerning the item(ns) object of the **Supply Contract**, the beginning of the supply will imply on the clear recognition that such a project is feasible, being technically correct, assuming the **SUPPLIER**, as a consequence, the total responsibility for the quality and perfect performance of the product, on the exact terms of the remaining provisions hereof.

8. PROPERTY RIGHTS AND PRIVILEGES

8.1. The technical drawings and models of **TEKSID** may not be copied, transmitted or disseminated by the **SUPPLIER** to third parties without the prior and express written permission of **TEKSID**. In consequence., the production of **Goods** based on drawings, models or samples from **TEKSID** should be limited by the **SUPPLIER TO THE QUANTITIES TO BE SUPPLIED TO TEKSID**, assuming an obligation to destroy eventual excesses, even those which once rejected by **TEKSID**, has returned.

8.2. The **SUPPLIER** recognizes to configure an illegal act the manufacture and trade, which are not object of the **TEKSID Supply Contract** of any **Goods** based on drawings, models or samples from **TEKSID** for replacement of any kind, regardless of whether or not manufactured and marketed with the use of the name or under the brands and distinctive signs of **TEKSID**.

8.3. Drawings, models and samples, as well as parts, equipment, tooling and technical specifications delivered and entrusted to the **SUPPLIER** for the execution of the Purchase Order, aim exclusively this execution and, therefore, free and precariously assigned by **TEKSID**, they should be returned to it by the **SUPPLIER**, once delivered and accepted the **Goods** object of the Purchase Order, or at any time if **TEKSID** requests them.

8.4. Once executed the **Supply Contract**, the **SUPPLIER** gives to **TEKSID** broad and full guaranty that the **Good(s)** which it shall supply, have not been and will not be produced with counterfeiting or infringement of invention patents or exclusive licenses to use, ensuring to **TEKSID** the free and lawful use and trade of these **Goods** in Brazil and abroad.

8.5. If, on the basis of the execution of the contractual relationship between the parties, any right of ownership in the field of intellectual property arises, such right shall be the sole property of **TEKSID**, not having the **SUPPLIER** any rights relating to the intellectual property created.

9. AMENDMENTS

9.1 It is reserved to **TEKSID** the right, at any time, to determine changes or request to the **SUPPLIER** to make changes in drawings and specifications of goods or which, otherwise, change the scope of the work object of the **Supply Contract**, including the works concerning the inspection, testing or quality control, and the **SUPPLIER** agrees to promptly make such changes. Any difference in price or term for execution resulting from such changes shall be equitably adjusted by **TEKSID**, upon receipt of the documentation in form and details determined by it, should the new deadlines and new prices be specified in the **Supply Contract**, without prejudice the payment of the fine provided for in item 16, if delays occur in the delivery of the modified parts pursuant the reported changes in the drawings.

10. BILLING AND COLLECTION



10.1. The **Goods** must be delivered together with the documentation required by law, in which it will supervene on beyond the usual, the following:

- a) Full number of the Purchase Order;
- b) The number/code of the material, if applicable;
- c) Specification of the **Goods**;
- d) Highlighting of the taxes as forecast by law;
- e) Place for unloading goods;
- f) The quantity of goods supplied.

10.2. The **SUPPLIER** must issue invoices relating to a single O.C., not performing the invoicing of the set of products/services related to different Purchase Orders.

10.3. **TEKSID** will not receive **Goods** with irregular documentation, thus being not responsible for any fines or seizure of material whose documents contain any flaws, omissions or filling imperfections that give rise to tax penalties, or from any other nature.

10.4. The payments will be made as stated on the respective Purchase Order, the invoices and bills should be submitted at least fifteen (15) days before its due date.

10.4.1. Failure to meet the deadline alluded to in this item, implies on the automatic extension of term for payment, for as many days as there are late, without penalty to **TEKSID** and without prejudice to the discounts and benefits to which **TEKSID** is entitled.

10.5. The **SUPPLIER** hereby authorizes the withholding of payments by **TEKSTD** in cases of irregularities in the Supply, as well as authorizes the compensation of any payment due to the **SUPPLIER** with any amount due to it by the **SUPPLIER** without prejudice to the right charge it in court.

10.6. The **SUPPLIER** shall issue invoices for **Goods** output (sales, consignments for industrialization, shipments for demonstration, shipments for tests, returns, etc.), in accordance with the legislation in force.

10.7. The payments under the **Supply Contract** will be made only against presentation of the first copy of their respective Formal Bills of Sale and its relative invoice.

10.7.1. In case of loss of documents, the **SUPPLIER** shall provide and send to **TEKSID**, copies thereof certified by a notary or in the proper State Revenue Secretariat, prevailing in this case, the law of the state where the **SUPPLIER's** industrial establishment is located.

10.8. To **TEKSID** can not be assigned any liability in respect of eventual payments settled late by it, due to irregularity in the **SUPPLIER's** billing process.

10.9. It is expressly prohibited to the **SUPPLIER** to issue credit instruments and/or value against **TEKSID** as well, mainly, to trade them with third parties, notably banks, financial companies, *factorings*, and/or commercial promotion enterprises, among others. It is also expressly prohibited the connection of this instrument with operations of any kind, which the **SUPPLIER** and/or **TEKSID** have or will take before to any third parties, under the penalty of recovery of damages resulting from this, in addition to other rights established under these **CONDITIONS** and under the respective contract instrument.

10.10. Eventual invoicing from the **SUPPLIER** refuted by **TEKSID**, through Debit Note, already authorized by the **SUPPLIER** may be objects of analysis between the parties, at a meeting to be held within 30 (thirty) days from the date of its refutation, in which an adjustment term will be drawn up, under the penalty of such invoicing be definitively rejected and canceled.



10:11. Found to be due to previously refuted invoice, **TEKSID** will provide its payment to the **SUPPLIER**.

10:12. None payment will be due by **TEKSID** before its quantitative and qualitative acceptance concerning to the supplied goods by the **SUPPLIER**, taking in account the dispositions provided under the Item 10.5 above.

11. COMMERCIAL CONFIDENTIALITY AND ADVERTISING

11.1. The **SUPPLIER** undertakes and agrees to maintain absolute secrecy about data, drawings, technical specifications, as well as documents, designs, prototypes, technical and commercial proposals, business plans, accounting, financial or economic information, studies of economic-financial and market viability, contracts, correspondence, including electronic and any other information relating to **TEKSID** and this contract, from which will take notice, keeping about them the most absolute secrecy, preventing its disclosure to third parties, except as expressly authorized by **TEKSID**. The obligation under this clause is extensive to directors, employees, contractors, and employees of the **SUPPLIER** and shall continue even in the event of rescission of this Contract for a period of 05 (five) years.

11.2. It is expressly forbidden to the **SUPPLIER**, to make, in its own name or in the interest of third parties any publicity or advertising in which it refers to the supplies made and/or to commercial relationships that it holds or maintains or will maintain with **TEKSID**, given that any campaign, promotional and advertising material to be conveyed by any means, by any of the parties, can only mention or use the name or trademark of the other, by means of specific written agreement between the parties.

11.2.1. In exceptional circumstances arising from prior written authorization of **TEKSID** issued at its sole discretion, the **SUPPLIER** may do this, compelling himself to observe the rules for advertising and the stipulated rules and conditions, as well as the specific agreement signed between the Parties.

11.3. The **SUPPLIER** shall maintain absolute secrecy and as a strictly confidential character, any and all information provided by **TEKSID**, this should, therefore, be treated as confidential information any and all written or oral information disclosed to the **SUPPLIER** containing it or not the term "**CONFIDENTIAL**". The term information shall correspond to all written, verbal or otherwise presented, tangible or intangible information, which may include, but not limited to: documents, devices and/or details, of technical or commercial nature, whether be there informative, illustrative, photographic, drawings, technical or commercial specifications, know-how, techniques, designs, diagrams, copies, formulas, samples, flowcharts, tables, models, sketches, photographs, plans, computer programs, disks, diskettes, tapes, contracts, business plans, projects, processes, product concepts, prices, costs, suppliers, definitions, marketing information, inventions, ideas and/or other technical, commercial, legal or financial information, among others, hereinafter referred to as "Confidential Information", directly or indirectly received by the **SUPPLIER**, belonging or relating to **TEKSID**. The Confidential Information that deals with this clause may be owned by, be under the control of or in use by **TEKSID** or third parties.

11.3.1. It is utterly forbidden, in whole or in part, the dissemination, use, distribution, delivery, reproduction (including the photographic or reprographic one) in any form, by the **SUPPLIER**, of the Confidential Information for purposes other than that provided in achieving the Supply, without the prior and express consent of **TEKSID**.

11.3.2. The obligation that deals with this clause applies not only to the **SUPPLIER**, but also to its managers, employees, agents, partners, representatives of any kind, contractors and subcontractors and the Contractor being obliged to take care in order the Confidential



Information remain restricted to the knowledge of the directors, employees and/or agents who are directly involved in the discussions, analyzes, meetings and businesses relating to the **Supply Contract**, and he must to inform them about the existence of this obligation and the confidential nature of such information.

11.4. The Supplier, during the term of the **Supply Contract** and within five (5) years after its termination or while there are directly or indirectly obligations inherent to the **Supply Contract**, undertakes to maintain and preserve the confidential and private character of the CONFIDENTIAL INFORMATION not allowing that third parties have or will have access, publish or disclose the Confidential Information, even in part, at any time, without the prior written and exclusive authorization of **TEKSID**.

11.5. Is not considered as secrecy or confidential the information proved that is:

11.5.1. Is of public domain at the time of disclosure or after the disclosure, unless this occurs resulting from an act or omission of the **SUPPLIER**.

11.5.2. Comes to the public domain after its disclosure by third parties outside this relationship and outside the scope of the **Supply Contract**.

11.5.3. Should be disclosed by the **SUPPLIER** by reason of order issued by an administrative or judicial body with jurisdiction over the **SUPPLIER**, since plainly legal, in the first case, and only to the extent of such order, provided that:

11.5.3.1. such information is grouped and/or presented in summarized format,

11.5.3.2. the **SUPPLIER** has previously notified in writing to **TEKSID** the existence of such an order, allowing to **TEKSID** to pledge protective measures that it judges appropriated.

11.6. Once terminated the **Supply Contract**, all CONFIDENTIAL INFORMATION received should be returned to **TEKSID**, the **SUPPLIER** being not able to retain, maintain or store any copy or reproduction, in whole or in part, of any CONFIDENTIAL INFORMATION without the prior written approval of **TEKSID**.

11.8. The Parties acknowledge that this obligation of confidentiality is fundamental to the relationship now constituted and to the preservation of the **TEKSID** business. Thus, based on the principle of probity and good faith that the contractors are required to keep pursuant to the art. 422 of the Civil Code, in the case of fail to comply with this clause the **SUPPLIER** will be liable in full for any and all damage caused, so understood material damages and loss of profits, to **TEKSID**, regardless eventual criminal sanction, to the payment of criminal fines or motivated rescission of the Supply Contract.

12. SUPPLIER'S OBLIGATIONS

12.1 To comply with the **TEKSID's** regulations and rules, as well as statutory requirements for Medicine, Health and Safety at Work, Information Security, Specific Environmental and of the Fire Department at the Federal, State and Municipal levels during the execution of the activities under the **Supply Contract** in the industrial plant of **TEKSID**, located in Betim/MG or elsewhere.

12.2. Be responsible, in full, for the assets owned by **TEKSID** under its custody, as per the commodate regime or not.

12.3. Be responsible, in full and in isolated form for the acts committed by their subcontractors eventually authorized by **TEKSID**.

12.4. To accept any and all decision of **TEKSID** regarding the replacement of employees who work in its industrial plant, located in Betim/MG, allocated for execution of the activities



under the **Supply Contract**, at the sole discretion of **TEKSID**. The replacement must be made within 10 (ten) days starting from the communication in this regard made by **TEKSID**.

12.5. To comply with all requirements of **TEKSID**, when required, to identify their employees, materials, equipment, tools and vehicles for the execution of the activities in the establishment of **TEKSID**.

12.6. To be responsible for the acts of managers or agents, disconnected from the staffs of its company, until the delivery of their respective identifications **TEKSID**.

12.7. The **SUPPLIER** shall assume full responsibility for physical integrity of its employees, and must have, where required by law, all necessary resources such as, but not limited to: physicians, nurses, nursing assistants, engineers and technicians on labor security.

12.7.1. The **SUPPLIER** shall maintain duly authorized responsible for field supervision of according to the need and characteristics of the services rendered to **TEKSID**.

12.7.2. The **SUPPLIER** shall provide to all its employees and agents, personal protective equipment needed for the rendered services, according to the nature of the risks and duly approved by the Ministry of Labor.

12.7.3. The **SUPPLIER** shall be solely responsible for the proper use of all safety items provided to their employees and agents.

12.7.4. To be fully responsible for breaches of the rules, laws and ordinances of the public authorities concerning to the emissions of pollutants and other violations to the environmental legislation.

12.7.5. Because of how here agreed and to minimize eventual discontinuation processes in the production chain, the **SUPPLIER** is obliged, during the term of this and until all of its obligations have been fulfilled:

A. to promptly submit to **TEKSID**, when requested, any information about its economic and financial situation, its assets and liabilities and its activities, in the format and frequency indicated by **TEKSID**.

B. to immediately inform **TEKSID** the bringing or beginning of any Process or Judicial or Administrative procedure whose outcome can in any way affect adversely its economic and financial situation, its assets and/or any of its activities;

C. to immediately inform, if there are, all corporate changes and annually updating the cadastre of the suppliers;

12.7.6. The **SUPPLIER** declares that the information and financial statements, unaudited are complete and correct and accurately reflect its financial condition and results of its operations to date, all in accordance with the accounting principles generally accepted in Brazil.

12.7.7. The **SUPPLIER** further states to be aware of its responsibilities and of its agents provided in the Civil Code, instituted by the Law nr.10.406 of January 10, 2002, with highlights to the Article 1.169 et seq.

13. OBLIGATIONS OF TEKSID

13.1. To give notice to the **SUPPLIER** of its rules and procedures concerning to the access, transit and permanence of persons, functional identity, materials, equipment, tools and vehicles in the industrial plant of **TEKSID**, located in Betim/MG.

13.2. To afford with the payment of the price agreed in the Purchase Order, subject to the payment terms and other conditions stipulated in **Supply Contract**.

14. LABOR BOND

14.1. The **SUPPLIER** undertakes, by itself or by its agents, when executing activities in establishing of **TEKSID**, located in Betim/MG, pursuant the **Supply Contract**, to comply with the legislation and standards relating to labor relationship, safety and health at work, as well as the internal rules of **TEKSID**, which declares to know and accept them. In case of default of the obligations contained in this clause, the **SUPPLIER** shall bear all costs or losses arising therefrom generated to **TEKSID**.

14.2. The **SUPPLIER**, performing activities in the industrial establishment of **TEKSID**, located in Betim/MG, through subsidiary or other form of commercial/industrial establishment provided by law, is obliged to allow access to all its dependencies, as well as to the documents of **TEKSID's** interest for checking the compliance with the object of this clause, providing to it copy thereof as requested.

14.3. **TEKSID** will be only able to disclose and use information and documents received from the **SUPPLIER** in situations foreseen in the legislation, regulations or by reason of compliance with this contractual instrument. To this obligation is also subjected the **SUPPLIER** with respect to documents and information received from **TEKSID**.

14.4. The **SUPPLIER** still undertakes to cause to subcontractors or third parties related to or involved in the execution of the activities from the **Supply Contract**, to comply with the referred to regulations and legislation.

14.5. The default of any of the obligations, in whole or in part, provided in this clause, will lead, at the discretion of **TEKSID**, in warning to the **SUPPLIER** and suspension of the work until the deficiencies are corrected without prejudice to the possibility of rescission of the existing agreement by just cause and the application of the penalties provided for by law and by the inspecting bodies.

14.6. It is the sole responsibility of the **SUPPLIER** full compliance with all obligations arising from or related to the activities object of the Supply Contract, especially concerning to tax, labor, social security and occupational accidents.

14.7. Received the notification to defend itself in court or administrative proceedings from public authorities, convened by **SUPPLIER's** employee, former employee, trainee or former trainee or companies contracted by it, **TEKSID** will calculate the claimed rights and after notifying the **SUPPLIER** will retain the corresponding value as pledged for the eventual condemnation, deducting it from the sums due to the **SUPPLIER**.

14.8. The pledge shall be returned to the **SUPPLIER** after the final proof of the definitive settlement between the **SUPPLIER** and the complainant, when no longer is any risk of condemnation for **TEKSID**.

14.9. If the pledge amount exceeds 10% (ten percent) of monthly invoicing from the **SUPPLIER** against **TEKSID**, the total value of the pledge will be held on consecutive installments not exceeding to 10% (ten percent) of the monthly invoicing of the **SUPPLIER** in many months as necessary to complete the total value of the pledge.

14.10. If there are no values to be retained by **TEKSID**, it may be worth any means permitted in law, to ensure that the **SUPPLIER** pays the amount due directly to the claimant and/or return to **TEKSID** the expenses and payments made, being that the "calculation" of the value makes it clearly legal.

14:11. The **SUPPLIER** undertakes to allow access to all of its dependencies, once the work is provided in establishment of **TEKSID** as well as to documents of **TEKSID's** interest for



checking the compliance with the object of this clause, providing to it copy thereof as requested.

15. ACCESS TO THE DEPENDENCIES OF TEKSID

15.1. The **SUPPLIER** acknowledges that it shall observe and comply with the rules and regulations concerning to **TEKSID** access, transit and permanence of persons and materials property in the establishment of **TEKSID** located in Betim/MG.

15.2. In order to facilitate the access in question, **TEKSID** will deliver, when appropriate and the internal determinations complied with by the Supplier, without charge to the **SUPPLIER**, dully filled, badges called FUNCTIONAL IDENTITY OF THIRD PARTIES, which will be distributed by it exclusively to its employees who are performing their usual activities in the industrial establishment of **TEKSID**, located in Betim/MG.

15.3. The Supplier shall formally indicate its accredited representative to receive the badges, not implying such indication, however, in reduction or exemption of responsibility by this.

15.4. Such badges, extinguished this commercial relationship between the parties or at any time upon request of **TEKSID**, should be returned within the maximum term of two (2) working days from the date of such request formalization and/or the rescission of the supply contract and/or the rescission by the Supplier of the labor contract with its employee, without the prejudice of **TEKSID** to the right to receive, as compensation, whenever there is loss and/or providing duplicate badges, the minimum value of R\$ 20.00 (twenty Brazilian Reals) per unit provided e/or lost or not returned, being able this indemnity, as well the penalties, be deducted from the value of Supplier's invoices issued against **TEKSID**, being such compensation, at once, expressly authorized.

15.5. No indemnity will be payable to the Supplier as a result of not worked hours, due to eventual access denial to its employees to the industrial establishment of **TEKSID**, located in Betim/MG, motivated by the lack of badges presentation.

15.6. The Supplier is responsible for the acts of managers or agents, active or dismissed from its employees staffs until the delivery of their respective identifications (badges) to **TEKSID**.

15.7. The Supplier assumes before **TEKSID** whole and full liability civil and technical as well as the full envisaged liability deriving from legal and regulatory provisions concerning the execution of the contracted service and the works mentioned thereon, in everything that refers to **TEKSID** as well as third parties, and responding civil and criminally for error, ineptitude, imprudence and negligence, as provided by law in force, the Supplier shall make available when required by law, all necessary resources such as, but not limited to: physicians, nurses, nursing assistants, engineers and technicians in labor safety.

15.8. The Supplier shall provide to all its employees and agents in the industrial establishment of **TEKSID**, located in Betim/MG, when required, personal protective equipment required for the development and execution of the activities, according to the nature of the risks and duly approved by the Ministry of Labor.

15.9. The Supplier shall be solely responsible for the proper use of all safety items provided to its employees and agents.

15.10. The Supplier acknowledges that in the event of being subcontracted the object of the supply contract, even partially, the Supplier will be solely responsible for the preservation and



return of the badges, according to the received quantities, that for all purposes, shall be indicated in appropriate document to be elaborated.

16. PENAL CLAUSE

16.1. The non-realization of payments in the form and terms as agreed for exclusive and proven **TEKSID** fault, may result in the incidence of arrears interest of 1% (one percent) per month, calculated pro rata basis to the effective payment date, and a compensatory fine of 1% (one percent) levied on the value of debt in arrears.

16.2. Failure by the **SUPPLIER** of any of its obligations will imply the application by **TEKSID**. the contractual penalty of 10% (ten percent) of the amount equivalent to twelve times the value of the last invoicing or of that is ongoing, if this is the first one, unless otherwise is provided in the relevant Purchase Order and/or Specific Agreement, without prejudice to the determination of losses and damages. It is still assured to **TEKSID**; the right to consider terminated the supply contract.

16.2.1. The calculated values of fines and reimbursements pursuant to clause 16.2., will be deducted from payments due to the **SUPPLIER** and, when appropriate, at the discretion of **TEKSID**, charged in court.

17. DURATION, EVENTS FOR RESCISSION AND FINE

17.1. The Supply Agreement shall remain in force for an indefinite period from the issuance of the corresponding Purchase Order or pursuant the Specific Agreement, if another term is not specifically provided therein, and may be rescinded at any time by either party upon written notice to the other Party with at least 30 (thirty) days unless it is otherwise foreseen in order and/or in the corresponding specific agreement.

17.2. Notwithstanding the foregoing disposition, either Party may terminate the Supply Contract, with immediate effect, if the other Party (i) fails to comply with any obligation foreseen on it and fails to remedy such disregard within 10 (ten) days starting from the notification stating such default, (ii) will have its bankruptcy, judicial or extrajudicial recovery or any similar procedure ordered or granted, as the case, or (iii) there is a reasonable statement of the financial position of the Supplier in which shall be construed as hindrance to the correct execution of the Supply.

17.3. **TEKSID** may terminate the Supply Contract, with immediate effect, if any change, alteration or modifications of the societary structure of the Supplier that involves, or could potentially involve change of control.

18. GENERAL PROVISIONS

18.1. The **SUPPLIER**, and any goods, cargos and services supplied by it, shall be strictly in accordance with all applicable laws, rules, regulations, court orders, conventions, ordinances or applicable standards of the destination country(ies), or the ones relating to the manufacture, labeling, transportation, importation, exportation, licensing, approval or certification of the acquisition/cargo or services, including but not limited to, those relating to environmental matters, wages, hours and conditions of labor, subcontractor selection, discrimination, and labor health/safety and motor vehicle safety. The **SUPPLIER** also declares that neither he nor any of its subcontractors utilize slave, child labor or any other form of labor, forced labor, involuntary and/or illegal one, and, also, that in the supply of goods, pursuant these Supply General Conditions, will not discriminate race, creed or sex. The **SUPPLIER** shall indemnify and hold **TEKSID** exempt of any liability, claim, demand or expense (including attorney's fees and other professional fees) arising from or relating to the disregard of this provision by the **SUPPLIER**.



18.2. The **SUPPLIER** shall comply with all regulations and legal requirements, especially those related to the preservation of the environment, beyond the **TEKSID** environmental policy.

18.3. Despite of everything here mentioned and agreed, the **SUPPLIER** undertakes to indemnify **TEKSID**, upon a simple request of it, with any amount that it will pay out against an eventual default or action of the **SUPPLIER** in defiance of the legislation referred to in the **Supply Contract**.

18.4. Eventual subcontracts, consensual or not, do not diminish the responsibility of the **SUPPLIER** for the perfect execution of the activities object of the **Supply Contract**.

18.5. The activities object of the **Supply Contract** shall be made with suitable equipment, always within the safety regulations and the relevant legislation.

18.6. It is strictly forbidden to the **SUPPLIER** to execute the transportation of cargos from **TEKSID** without due and proper tax documentation.

18.7. There not being any other document agreed between **TEKSID** and the **SUPPLIER**, with clear resignation as stated in these General Conditions, shall prevail for all purposes this document, the unique and able for, along with the **Supply Contract**, to resolve any differences from understanding and concept.

18.8. The terms hereof are, for all purposes, registered in the Registry of Deeds and Documents of the District of Betim, in the Book C-34, under the Nr.106023 in 03/23/2010.

18.9. The **SUPPLIER** declares that did not make mobilization investments for effect of the application of the Sole Paragraph from Article 473 of the Brazilian Civil Code.

18.10. These General Conditions, together with the Purchase Orders, cancel and supersede any understanding previously held between **TEKSID** and the **SUPPLIER**, whose object has been to provide the supply in question.

18:11. **TEKSID** may, unilaterally, modify or update this instrument at any time without notification or other communication means other than the publication of the new version in the Registry of Deeds and Documents Roberto Silva.

18.12. The Parties agree that the supply covered by these General Conditions, the Purchase Orders and/or Specific Agreements not generate any exclusivity or volume obligation and it is bound, solely and exclusively to (i) production scheduling, (ii) commercial strategies of the automotive industry and, mainly (iii) market demands and requirements.

18:13. **TEKSID** may, at any time, to hire with the National Bank for Economic and Social Development (BNDES) or other credit institution, the financing of works, services, equipment, materials or any other financeable goods, or give as pledge their credit rights without that, for this, there are not need for an express concordance of the **SUPPLIER**.

18.13.1. In that event, the **SUPPLIER** will be obliged to the regulation and practices of the financial establishment, concerning the payments and inspection, directly or indirectly, of the works, services, equipment, materials or other financeable goods.

18:14. As a **Supply Contract** is entered into between **TEKSID** and a consortium or a similar association of Suppliers in any form, each member of each one of these consortia or similar associations will be considered as one **Supplier** of the **Supply Contract** in question, and will be jointly liable and obliged, along with all other members of the mentioned consortium or similar association, for the fulfillment of all contractual obligations as provided under the respective **Supply Contract** .



18:15. The members of the consortium or similar association shall designate a leader among them, who shall have full power to represent them, to coordinate the consortium or similar association and to ensure the proper execution of the respective **Supply Contract**. Such designation shall be notified to **TEKSID** immediately after the formalization of the **Supply Contract**. If the consortium or similar association are constituted by national and foreign suppliers, the leading supplier will be a compulsory a national Supplier.

18:16. The **SUPPLIER** declares to be aware that **TEKSID** has no interference in the activities developed by the **SUPPLIER** and therefore can not be liable, under any circumstances, for eventual reduction in the productive capacity and/or idleness of its employees, for the fulfillment of commitments undertaken by the **SUPPLIER**, for the recovering of their investments, for the maintenance of employment or any other aspects related to the risks of its business activity.

19. CONDUCT CODE AND ANTICORRUPTION RULES

19.1. The **SUPPLIER** declares that it is aware, knows, understands and fully complies with the rules set forth in Conduct Code of Fiat Group ("Conduct Code"), as well as the anticorruption laws applicable, in particular, but without limitation, the Law nr. 12.846, of 2013 ("Anticorruption Law", together with the "Anticorruption Rules"), refraining itself from any activity that constitutes a violation to the provisions of the Conduct Code and the Anticorruption Rules. The **SUPPLIER** also obliges itself to conduct its business practices in an ethical manner and in accordance with the Conduct Code and the Anticorruption Rules.

19.2. The **SUPPLIER** declares, by itself and by its subcontractors, (i) it does not have employees, partners, administrators and/or representatives of any kind that keep and/or can maintain during the term of this **Contract**, any kind of public office and at any level, or even be employee of political party in the country of execution of the services, (ii) be fully aware that any fact or act capable of change the scenario foreseen in the "item (i)" above, as, but not limited to, eventual appointment of employees, partners, administrators and/or representatives of any kind for public office, as well as the occurrence of any facts or acts contrary to the provisions of the applicable Anticorruption Rules, should be immediately reported to **TEKSID**, (iii) have already implemented or obliges itself to implement, during the term of the **Contract**, a conformity program and effective training in the prevention, detection and suppression of violations of the Anticorruption Rules and the requirement set forth under this **Contract**.

19.3. **TEKSID** may, at its discretion, conduct audits on the books, accounts, records, invoices and supporting documentation as well as to perform any verification by the **SUPPLIER** and or its subcontractors, to evaluate the compliance with the Conduct Code Anticorruption Rules by the **SUPPLIER**, without however, to exonerate and/or decrease its responsibilities before **TEKSID**, the parties and/or the competent authorities.

19.4. Failure by the part of the **SUPPLIER** and its subcontractors of any applicable Anticorruption Rules or from the Conduct Code, subject to the other hypotheses of rescission provided by law or herein, will be considered a serious infringement and will give the **TEKSID** the right to terminate the **Contract**, getting the **SUPPLIER** the obligation to hold **TEKSID** harmless from any actions, losses and damages resulting from such noncompliance. The **SUPPLIER** will be responsible for indemnify **TEKSID** against all and any damage that this bears because of the noncompliance of the obligations and statements set forth in this Clause, already being authorized to withhold any payment that is due to the **SUPPLIER** and to offset against any amount that is due to **TEKSID** deriving from the rules provided in this **Contract**.

20. QUALITY

20.1. The **SUPPLIER** agrees to participate in **TEKSID** quality programs and supplier development, and meet all requirements and quality procedures determined by it, including the eventual revisions and updates in the form established by the Quality System Requirements, widely reported by **TEKSID** and of the **SUPPLIER's** knowledge. Moreover, **TEKSID** will have the right to visit the premises of the **SUPPLIER**, at reasonable times to inspect the premises, finished products and production object of the supply contract, the materials in stock and any property of the **SUPPLIER** covered by the respective contractual instrument. The eventual qualitative inspection by **TEKSID** either during the manufacturing before the delivery, or in a reasonable period of time after the delivery, shall not relieve the **SUPPLIER** from its responsibilities and does not constitute acceptance of any goods in ongoing manufacturing process or completed.

21. INFORMATION ABOUT COMPONENTS, WARNINGS AND SPECIAL INSTRUCTIONS

21.1. If requested by **TEKSID**, the **SUPPLIER** will send it immediately in the form and with the details that it determines:

- a) a listing of all components of the goods;
- b) the quantity of all components of the goods;
- c) a listing of all auxiliary(ies) material(s) used to pack and transport the goods destined to exportation;
- d) information concerning any changes or additions in such components.

21.2. Prior to shipment of the goods and at the time which it occurs, the **SUPPLIER** agrees to provide to **TEKSID** warning labels or placards and sufficient notice in writing (including appropriate labels of the goods in the containers and packaging), about any hazardous material that is a component or part of any of the goods, together with special handling instructions, should it be necessary to instruct the carriers.

22. ENVIRONMENTAL

22.1. The **SUPPLIER** must comply with government regulations relating to environmental protection, as well as in those that apply those emanating from the environmental program of **TEKSID**, which the **SUPPLIER** hereby acknowledges and accepts, for the exclusive account of it the payment of all penalties and indemnities deriving of eventual infraction by it, in these respects, without prejudice of the early rescission of the existing agreement between the parties, in the event of risk of restrictions imposed by the competent authorities regarding the future use of the area, if proven its guilty.

22.2. The **SUPPLIER** shall submit, annually, to **TEKSID**, certified copy of its valid L.O. (Operational License), when requested.

22.3. Regarding to environmental aspects, it is clear that through the underground areas of **TEKSID** are water and sewage pipelines; concerning these and the use of pollutant materials and that can degrade the environment, the **SUPPLIER** here undertakes to expressly respect guidelines, rules and instructions of **TEKSID**, especially its area of ecology, which standards are always being updated, in order to meet and maintain ISO certifications and other of governmental character, already obtained or which **TEKSID** is seeking to obtain.

22.4. The **SUPPLIER** is in charge of to maintain close relationship with the retro mentioned **TEKSID's** area of ecology, aiming to seek information and standards referred to in the previous item.



22.5. To respect and to make respected the standards and regulations of **TEKSID**, which declares to know and accept, even promoting the replacement of personnel of its workforce that become inconvenient within the industrial establishment of **TEKSID**.

22.6. Any vehicles used by the **SUPPLIER** for the execution of the services in the premises of **TEKSID** shall be properly regulated, preventing oil leaks and emission of black smoke above the limits established by law, being the same subject to inspection by **TEKSID**, so as to meet that determined by the Ordinance Minter 100/80 and Ordinance IBAMA 85/96 pursuant the Act nr. 8.723/93, committing itself the **SUPPLIER** to indemnify **TEKSID** for any penalty eventually applied to **TEKSID**, deriving to the non-compliance of these vehicles with the referred to ordinances. It is also duty of the **SUPPLIER** to give the correct destination to all waste and effluents generated in the respective operations as well as materials and tools that are unusable. Any irregularity or fine from mismanagement of this process will be under exclusive responsibility of the **SUPPLIER**.

22.7. Deliveries of materials under the CIF modality (in the premises of **TEKSID**), is under the responsibility of the **SUPPLIER** to ensure that its carriers meet all legal requirements and that their vehicles and trucks are not older than 15 (fifteen) years to achieve savings in fuel consumption, lower pollution levels and better safety conditions.

23. PRINCIPLES AND GUIDELINES OF TEKSID

23.1. Whereas the conservation of the environment is essential to the quality of life and sustainable development, **TEKSID**, as a signatory to the Corporate Chart of the International Chamber of Commerce - ICC, and consistent, where applicable, with the policy for the environment of the Fiat Group, is committed to:

- a. To maintain an Environmental Management System to ensure the compliance with legal and other requirements, in its processes, products and services.
- b. To promote the optimal use of energy resources.
- c. To manage the industrial waste, minimizing its generation and optimizing its recycling.
- d. To seek for the continuous improvement of the environmental performance of its activities, always aiming at the prevention of pollution and applying economically viable technology.
- e. (sic) 21.1.6. To promote the awareness and the involvement of its employees, contractors and subcontractors working on its industrial establishment to act in an environmentally friendly way.

24. FORCE MAJEURE

24.1. Neither Party shall be liable for delay or failure in the execution of all or any part of its obligations, if their performance will be hampered due to an event of Force Majeure. Force Majeure, as used herein, means any form and the circumstances beyond the control of the Parties, as set out in the Article 393 of the Brazilian Civil Code 2002, which prevents the total or partial performance of the obligations deriving from the Supply by the Party or Parties affected. These events are, but not limited to, fires, explosions, floods, and nature events, acts from public enemy, sabotage, wars, riots, civil or political disturbances, and interference by military authorities, export or import bans.

24.2. If there is an event of Force Majeure the time stipulated for the fulfillment of obligations of the affected Parties should be extended or suspended for a period equal to the duration of this event or circumstance, without any liability, provided that the more affected Party



promptly inform the other in writing or by e-mail or fax, forwarding the relevant documents that confirm the event which caused this Force Majeure. The Party shall not be liable before the other for the damages caused by the occurrence of a Force Majeure event. In case of Force Majeure, the Parties shall immediately communicate among themselves to find an equitable solution and should to employ all efforts to minimize the consequences of the Force Majeure event.

24.3. As soon as reasonable possible after the end of the Force Majeure event, the affected Party shall notify the other in writing, stating that the Force Majeure event ceased and will continue to fulfill the obligations of this Contract.

25. CONTINUITY OF THE SUPPLY

25.1. The Supplier undertakes to comply with the Continuity of the Supply in accordance with the policies, procedures and practices presented and approved by **TEKSID**.

25.2. The Supplier shall inform formally and previously to **TEKSID**, all changes in the policies, procedures and practices for the continuity of the Supply. **TEKSID** may request the adjustments that it deems as necessary.

25.3. The Supplier is responsible for all losses and damages caused to **TEKSID** deriving from the Continuity failures that result in the interruption of the Supply to **TEKSID**.

26. ASSISTANCE AT THE END OF THE SUPPLY CONTRACT

26.1. At the end of the Supply Contract or in the event of rescission, the **SUPPLIER** shall return to **TEKSID** all goods under its guard, besides to return to **TEKSID** the capacity to execute the supply by its own account or by third parties contracted for this purpose unless otherwise is provided in the Purchase Order or Specific Agreement:

26.2. From the sixth month before the termination and until the date of the effective termination of the Supply Contract, the **SUPPLIER** undertakes hereby to provide to **TEKSID** or third party designated by it all assistance so that the Supply remains provided without interruption or adverse effect, and there is an orderly transference of the Supply to **TEKSID** or to its designated.

26.3. In the event of rescission, the **SUPPLIER** undertakes hereby to provide to **TEKSID** or third party designated by it for up to six (6) months from the written notice, at the discretion of **TEKSID**, all assistance so that the Supply remains provided without interruption or adverse effect, and that there is an orderly transference of the Supply to **TEKSID** or to its designated.

26.4. The **SUPPLIER** also undertakes to supply to **TEKSID**, or to a third party designated by it, all the concerning documentation and records historical of the Supply that is in its possession;

26.5. The devolution of the capacity to execute the Supply includes the transfer of knowledge during the six months foreseen in the items 22.1 or 22.2. The knowledge will be transferred through training provided by the **SUPPLIER** to employees or third parties appointed by **TEKSID**, through timely commercial conditions agreed between the Parties, taking in consideration the prices observed in the market for training services at the time:

26.6. Return of equipment and assets owned by the **TEKSID**, including intangible assets (such as software), if applicable.

26.7. To Prepare routine to be executed under the **TEKSID** request for data preparation of **TEKSID**, then in the custody of the **SUPPLIER** to be transferred to new databases;



26.8. To agree to release its human resources and/or its subcontractors, unique and exclusively dedicated to **TEKSID**, in order to compose the new team, as per **TEKSID** request at the occasion;

26.9. To return documentation of processes, procedures, scripts developed conjointly with **TEKSID** during the Supply.

26.10. To participate, together with **TEKSID**, upon its request, on the elaboration of the transition plan.

27. ABOUT THE PRODUCTION STOP

27.1. Occurring stop on the assembly line and/or production losses, or other correlated losses by fault of the **SUPPLIER** with prejudice to **TEKSID**, it direct importers and/or third parties, it shall communicate in writing, having the **SUPPLIER** 10 (ten) business days from the notice to contest its liability. Not occurring this and/or its arguments being not accepted, it will be issued debit document for compensation of the losses accruing to production losses, which may even be compensated in the first payment due by **TEKSID** to the **SUPPLIER** and/or in the subsequent ones, procedure which is hereby expressly and irrevocably authorized.

27.2. The existence of critical qualitative factors (no certification of the quality system, production process with negative certification, inability to supply under the Quality Assurance regime, lack of regularly approved samples, the presence of qualitative non conformance), will imply in the adoption of actions of exceptional inspection/verification by **TEKSID**, which costs, calculated by "Standard" estimative, shall be compensated to **TEKSID** by the **SUPPLIER**.

27.3. Besides the reimbursement from costs of materials and services mentioned in the previous item, **TEKSID**, at its own discretion, may require from the **SUPPLIER**, claims in respect of losses of image and others that comes to detect depending on the non conformities caused by technically imperfect products. This indemnity will be determined in court.

28. CONTRACTUAL FORUM

28.1. With express waiver of any other, however privileged, is elected the district court of Betim, MG as the unique competent for filling of measures to resolve the doubts that may originate these from these General Conditions and the relevant **Supply Contract**. It is, however, reserved to **TEKSID** the option to suit the **SUPPLIER**, in court, where it is headquartered. The applied law will always be the Brazilian one.

Registration Data:

On the Book: C-34 106023

I made ... (illegible)

Betim, 09-03-2014

(Signature)

R.T.D.P.J – BETIM MG

REGISTRY MASSOTE

REGISTRY OF DEEDS AND DOCUMENTS

357, INCONFIDENCIA STREET - ROOM 103.- CENTRO – BETIM - MG

CEP: 32.510 -.260 - TELEFAX: (31) 3594-2566

REGISTRY OFICIAL: MARIA DAS GRAÇAS MONTEIRO MASSOTE



Presented today for registration. Filled under the No.
000133587 and Registered in the Book C-42
Under the No. 0000128189
September 03, 2014 at 13:05:28 hours
Fees: 64.58 Ex. Fee: 21.40 Cert. Fee: 3.82 Total 89.78
(Signature)
R.T.D