



General Terms and Conditions of Purchase SMR Automotive Brasil Ltda

October, 2021

1. Scope of Terms of Purchase

1.1 These terms and conditions of purchase ("Purchase Terms") of SMR Automotive Brazil Ltda ("Buyer") shall apply exclusively to all purchases of parts, materials, assembly lines ("Property") subject to any order purchase issued by the Buyer, who doesn't accept and doesn't have to be bound by the terms and conditions of the Supplier, unless the conditions have been agreed in writing in advance by the Buyer. The terms of purchasing must be applied in all cases in which the Buyer accepts the terms of delivery the Supplier without contesting the conflicting, divergent and conditions of the Supplier (whether or not the buyer aware of them). The supplier receives the Purchase Terms and accept all the terms and conditions upon delivery of their goods to the Buyer.

1.2 These Terms of Purchase shall also be applied to the purchase of goods such as direct material (with the aim of the own production of Buyer) replacement material or equipment, tools or other material unless the applicability of any of these Terms of Purchase is expressly limited individual species or specific properties

1.3 The conditions of these Terms of Purchase shall prevail over any other agreement as the Parties may be added (example: Buyer Agreement SQF Quality / Quality Requirements.

1.4 These Terms of Purchase apply to all subsidiaries of SMR.

2. Order

2.1 All orders for information about the goods, delivery terms and conditions of the Supplier or requests for quotations are not legally binding on the Purchaser to the Supplier in any way. The quantities listed on any request for price or request for quotation is merely indicative and not binding on the Buyer until the Buyer

expressly requests a certain amount in any purchase order or request delivery (as applicable).

2.2 The Buyer's purchase orders are valid only when made in writing. Orders made orally or by telephone are not valid and not under any circumstances create a contractual relationship. Verbal agreements should be confirmed in writing. Likewise, changes to the contract (subject to the conditions detailed in section seven below) as well as side arrangements must be made to be written considered legally effective.

2.3 A valid and binding agreement between the Buyer and the Supplier incorporating these Terms of Purchase shall consist of:

(i) The purchase order submitted in writing by the Buyer to the Supplier (constituting an offer to buy)

(ii) Acceptance of Supplier's express written purchase order through an confirmation order to be received by the Buyer within seven days from the date of purchase order, or

(iii) Start development of the purchase order.

Any confirmation order received by the Supplier in delay or who are different from the Buyer's purchase order represents a new purchase order and must be accepted by Buyer in writing.

2.4 If the agreement of the purchase order specifying that the goods to be delivered shall be appointed by step delivery (delivery schedule) steps such deliveries will enter into force two days after submission to the Supplier unless the Supplier opposes the steps writing.

2.5 The Supplier is obliged for the duration of the terms of that agreement to make deliveries to the Buyer and its subsidiaries based on the steps or delivery schedule of materials. Delivery shall be

conducted in accordance with local procedures of the Buyer.

must be made unless it is indicated on the purchase order.

3. Prices – Conditions of Payment and Commercial Agreement

- 3.1 The price established in the purchase order is a fixed price for delivery at the address indicated on the purchase order covering packaging, freight, insurance and other costs. The tax figures are not included in the price and will be charged separately.
- 3.2 Unless the credit entry has been agreed with the Supplier invoices can be processed only if the Buyer is expressly in accordance with the requirements of the purchase order, order number, the number of the article mentioned on the purchase order number and project, in cases of tools or investment products, the Supplier will be responsible for any consequences arising from breach of this obligation since proven guilty.
- 3.3 Unless otherwise agreed in writing payment of the application shall be made on the last day of the second month following the invoice date.
- 3.4 The Purchaser must pay via bank transfer. Other forms of payment and credit entry should be agreed between the parties to be considered applicable.
- 3.5 Comprehensive commercial agreement is part of the Terms and Conditions of Purchase.
- 3.6 SMR can make any money it owes to the Supplier against money owed to the Supplier for SMR.

4.3 The Buyer must specify on each purchase order to delivery method, which can be made specifically for the use of common business terms of the automotive industry. Should be applied Incoterm that is indicated on the purchase order.

4.4 Containers and packaging should be provided free, but will be returned if required by the Supplier at your own risk.

Transportation equipment (containers, shelves, etc.) must be identified by their codes in the consignment / delivery note which shall pass to the Buyer's behalf.

4.5 Every delivery of Goods (or other materials) must be accompanied by a delivery note containing the number of Buyer's purchase order, name, amount and other details (including the part number) or the material provided.

The Supplier shall provide other notes, statements, and documents that the Buyer may require.

4.6 According to EU directives the Supplier is obliged to provide a supplier's declaration. The annual official statement from the supplier must be submitted no later than the date of purchase delivered. This declaration must be renewed and sent before the date of maturity. Any change with respect to the origin must be notified to the Purchaser as early as possible. At the request of the Purchaser, the Supplier shall provide documentation certified and cleared through customs for delivery of goods. If and to the extent that other additional official documents needed for import or export of goods, the supplier must submit them to the Purchaser, or if appropriate, send proxies without delay.

4.7 The Supplier shall not deliver any product ahead of schedule in order,

4. Shipment, Packaging and Delivery

- 4.1 The Goods must be delivered prepaid to the address designated by Buyer (agreed delivery address) during business hours of the Buyer.
- 4.2 All products must be properly packaged or prepared for shipment. No charge for packaging, packing, shipping, boxes, reel or insurance

without the written consent of the Buyer. The Buyer reserves the right to store, at the risk of the Supplier, the materials received at its factory prior to delivery date specified in the purchase order until the date of actual delivery of the material.

In case of the Buyer accepts receive the deliveries early, he is not obliged to do the payment in advance.

5. Property and Risk

- 5.1 The possession of the Goods will be transferred to the Buyer carried out after the payment of the total value of the product. Any extension of possession of goods on behalf of the Supplier shall be disconsidered.
- 5.2 The risk of loss will be of the Supplier until the completion of delivery of the Goods to the Buyer.

6. Delivery in Delay

- 6.1 The Goods must be delivered to the address stated delivery date or delivery periods combined pre and documented.
- 6.2 The Supplier shall promptly notify the Buyer in writing on any and all circumstances that may arise or the Supplier becomes aware and which may prevent the date or the delivery periods are observed. Such notification shall not relieve the Supplier from the obligation of delivery on the agreed date.
- 6.3 If the Supplier delay the delivery to the address agreed
- (i) The buyer may cancel (terminate) the purchase order (agreement) provided by the Buyer and the deadline set by failure this deadline will not be met without the guilt to be the Buyer;
 - (ii) Buyer is entitled to full compensation for any damage as long as the Supplier has a delay fault

(unless a fixed date of delivery has been agreed)

- 6.4 In case of delay in delivery of the Goods for reasons for which the Supplier has the blame and without prejudice to any other rights the Buyer (particularly with regard to damages under clause 6.3) the Purchaser shall be entitled to claim for each day a fine delay span of the contract value of 0.1% on the delay value of the products, however, not exceeding 5% of total delivery.

7. Contractual and technical changes

- 7.1 Any changes, including changes in quantities, through shipping, packaging, delivery time or address, designs or specifications must be mutually agreed by the parties and recorded in writing and reflecting taking into account any increase in cost or time required for the implementation of contract (if any). With respect to technical changes, particularly changes in the drawings or specifications of the Purchaser, shall apply the following provisions of clause seven.
- 7.2 The Buyer may at any time including during the serial production techniques require modification of the Goods. Immediately after receiving the request for modification of the Buyer, the Supplier shall submit an estimated cost increases or cost reduction possible, as well as information on deadlines, consequences on weight, function and quality of the resulting changes. The supplier is obliged to keep the cost resulting from the modifications requested by the Buyer as small as possible.
- 7.3 The Supplier will comply with the request for change as long the parties have reached an agreement on the increase or reduction of cost, schedule, due on weight, function and quality.
- 7.4 If in the opinion of the Supplier technical modifications or

deviations are relevant, ex: due to more efficient methods of production, improvements and increase the safety of goods or adjustments to the improvement of engineering-they should be suggested to the Purchaser by the Supplier; both must be passed information on changes in price, delivery dates, etc... The Buyer shall examine the proposals for changes in time to refuse acceptance randomly.

- 7.5 The Supplier may not make any modification without the written consent of the Buyer. The procedure for the first sample should be repeated for all goods that are subject to change techniques after launching the original product.
- 7.6 The technical documents, drawings, designs of the Buyer shall be examined by the Supplier with respect to its completeness and accuracy before the start of the production process. If the Supplier considers incomplete documentation or failure or defects, it is required to notify the Buyer in writing without delay (but in any event before the start of the process or production), any outstanding technical documentation, design, or project should be required writing.

8. Quality Management

The following eight provisions of the clause apply only to the supply of materials and spare parts.

- 8.1 The supplier must maintain today and the future of quality management in accordance with ISO / TS 16949:2002.

If the supplier does not meet the quality standards required by the system of quality management and fails to remedy such deficiency within three months after being notified by the Buyer, in addition to any other rights the Buyer may terminate this agreement

immediately without any obligation additional to the Supplier.

- 8.2 According to the standard quality of the automobile industry where the Supplier is required to submit a maximum before the start of series production, samples of the standards ISO / TS 16949:2002. The sample must be made in principle on the premises of the Supplier, unless the Buyer or its customers (particularly car manufacturers) require exception to this.
- 8.3 Not with standing of Section 8.2 and as required by the Buyer, the Supplier will provide product samples to determine if the manufacturing is done in accordance with the specifications provided by the Buyer. These samples will be provided at no cost to the Buyer.
- 8.4 Interruptions in the process of quality management also as regards the parts that are produced or acquired from third parties, the Buyer shall be notified as soon as detected by the supplier.
- 8.5 For serial production is determined by a fixed value for the quality PPM. This value is revised monthly. The Supplier undertakes not to exceed at any time the failure rate required, without prejudice to any possible warranty claim of Buyer.
- 8.6 The Buyer may makes, during business hours, upon notice, reasonable inspections at the premises of the Supplier where goods are manufactured, when necessary.
- The Buyer may terminate the current contract upon written notice to the Supplier if the Supplier fails to maintain standards of quality required for a period of three months.
- 8.7 Inspections or tests mentioned above do not constitute acceptance of any goods or any part there of or relieve the Supplier to comply with any express provision in the

purchase order (agreement).

- 8.8 The Supplier undertakes to provide to the Buyer for a period of 15 years after cessation of serial production, spare parts that are in accordance with the contractually agreed quality required for their deliveries. This requirement should also be applied to materials, raw materials, parts or components purchased from third parties by the Supplier.
- 8.9 Supplier agrees that prior to delivery should submit a written list of names and descriptions of any product or property of harmful or potentially harmful goods, and later information about any changes in such properties and products. The Buyer will rely on such information to meet their own obligations with regard to health and safety.

9. Inspection of Goods

- 9.1 Regarding to the quality management system adopted by the Supplier in accordance with Clause 8.1, the Parties agree that inspections of the Property to Buyer shall be replaced by analyzes made by the Supplier of the goods prior to delivery of products to Buyer. For these purposes, the parties further agree:

The Buyer will inspect the Goods on delivery only in respect of your identity (corresponding to the list of goods contained in the purchase order or call delivery), all (or parts delivery in relation to the amount requested in purchase order) shipping damage or other damage noticed from outside.

The Buyer will notify the Supplier in writing of any possible damage or incorrect delivery without delay.

To the extent that the Buyer to detect any defect in the product, he will notify the Supplier by writing without delay.

- 9.2 Pre-delivery Inspection

Before delivery, the Supplier shall properly inspect and test the goods and if it is required to submit the certification tests. The Supplier shall permit, during normal business hours, the unrestricted access of Buyer or its representative, notified in advance in any area where the goods or parts are produced or stored, so that the Buyer or his authorized representative may inspect or test Goods and verify that they attend the specifications.

10. Guarantee

The following ten provisions of the clause apply only to deliver the goods and / or their spare parts (for all other goods relevant provisions should be applied):

10.1 Supplier Guarantees

- Compliance with the specifications, documentation, drawings and designs of the Buyer
- Conformity of Goods with the initial samples provided by the Buyer.
- Presence of the features contained in the initial testing of the samples.
- That materials used / chosen and / or parts of third parties are free of defects and is properly suited to use.
- The absence of defects in goods related to the design, material, labor which annuls or reduces the value or quality of goods contracted for use.
- In accordance with the latest technology for ultimate.
- All work will be performed with skill and care and will be adequate for the purposes indicated, namely, easy deduction from the Supplier to

the specifications previously announced before the conclusion of the agreement.

- 10.2 Any good supplied or installed governed by the agreement should be formulated, designed, constructed, finished and packaged and be safe and without risks to health.

Any goods that are (or will be supplied to the EU) within the scope of the requirements of the EC or any relevant EC Directive or within the local laws that use the same requirements must meet these requirements are relevant and should use the CE mark affixed properly, with a certificate of compliance of all necessary technical specifications.

The Goods supplied to the buyer must meet all requirements of health and safety relevant to status memos and forms when combined with other goods. It is the responsibility of the Supplier becomes aware of the purpose for which the goods will be provided.

- 10.3 If defects are detected in the goods and its parts before the beginning of fabrication, installation or assembly, the following applies:

The Supplier shall, at the option of the Buyer, deliver without delay, new products without defects or replacement parts. Any possible to work or other separation rework is performed by the supplier together with the buyer, the premises of the latter.

All costs incurred in delivering the goods with defects (separation, transportation, cost of repair, including research and development of methods to find the causes of the defect) should be the responsibility of the Supplier.

- 10.4 If the defect is discovered after the beginning of manufacture, the provisions of clause 10.3 should be initially applied, should be applied in addition the following conditions:

(i) If the defect is discovered before the final product has been delivered to the customer of the Buyer, the Supplier shall bear the costs of repair or replacement, plus the costs of dismantling and assembly, also with no rework (cost of labor, materials and tools needed).

(ii) If the defect is discovered after the product has been delivered to the customer of the Buyer, the Supplier must pay in proportion to the cost incurred for removal and / or cost of the measures that match or reflect the contribution of fault of the Supplier. The Buyer shall inform the Supplier at the time of occurrence of such defects and the procedures and measures to be taken.

- 10.5 The Buyer has the right to correct any defect, have the defect corrected by Partners replacement or acquiring Partners when:

(i) The Supplier is missing with the replacement or correction of the defect.

(ii) The defect is discovered before the start of manufacturing this situation is required in emergency cases to avoid serious disadvantages, for example, stoppage of the carrier.

The Supplier must be informed of this situation occurs so the discovery of noncompliance. Costs incurred for this shall be paid by Supplier.

- 10.6 Independent and beyond the fixes mentioned in Clauses 10.3 - 10.5, the Buyer is entitled to the following additional resources:

(i) The buyer may cancel / terminate the contract if the Supplier has notified about the defects and has established a grace period to correct the same and this period has expired

without success.

- (ii) If the Supplier refuses to take any measures for the correction of Clause 10.3 (repair or replacement)

(iii)

- If the Supplier's attempt to repair the defect or replace the product without defect, or

- If the buyer is not reasonable to consider all the circumstances to establish a grace period to the Supplier;

- (ii) The buyer may reduce the agreed price of the products to the market price proportional to the value of the defective parts, provided that the requirements listed in paragraph (i) are met.

- (iii) The Buyer is entitled to full reimbursement for any damage caused as a result of product defect, provided that such defect is the fault of the Supplier.

10.7 Except for properties that are considered automotive and subsequently exported to North America (U.S., Canada, Puerto Rico) the warranty period for defects must cease within 60 months from the date of registration of the car or from the installation of parts replacement or 60 months from delivery to the customer the Supplier, any period expires first.

For the goods exported to North America (U.S., Canada, Puerto Rico) after qualifying as automotive parts, the warranty period for defects must cease within 48 months from date of registration of the car or the installation of spare parts or 50 months from the date of delivery to the Buyer, any period expires first, however to a maximum of 50,000 km under the code of consumer protection, the victim of the event caused by a defect in the product has a term of five years after the occurrence of the event to take

appropriate action against the supplier (Article 27)

11. **Product reliability, Recall Campaigns, Indemnity and Insurance**

11.1 Insofar as the Supplier is responsible for the defect, the Supplier is obliged to repair or indemnify the Buyer against any partner claim, upon request, provided that the reason the complaint is in the sphere of control and organization of the Supplier and the Supplier is responsible in relation to the Partner. To the extent that Buyer has contributed to any failure or cause, the Supplier may assign the fault (negligence) or cause the Buyer. As agreed between Buyer and Supplier must establish the guilt of their shares in proportion to each part.

11.2 As part of its responsibilities for damages in accordance with clause 11.1, the Supplier is obliged to reimburse any expense incurred by the result of recall campaigns conducted by the Buyer. The Buyer shall inform the Supplier, to the extent possible and reasonable, on the content and scope of the recall to be held and shall give the Supplier a chance to explain.

11.3 In the case of Buyer, any customer of Buyer and / or any automobile manufacturer (OEM) to determine a recall campaign or a program to notify the owner is necessary to comply with law, regulation, rule or other governmental request, or as a measure security to prevent personal injury or death, costs, including but not limited to labor, transport and traceability costs must be apportioned on the basis of causal contribution or failure respectively assigned to the Buyer and Supplier.

11.4 For the purposes of clauses 11.2 to 11.3, a recall campaign is defined as a systematic effort to locate assets that are violating the guarantee of Buyer or Buyer's customer and / or automobile manufacturer or otherwise is necessary to go through a recall for inspection, repair or replacement of such assets or shares of property

when necessary.

11.5 For the purposes of any recall campaign with due respect appropriately made in favor of the Supplier, the Supplier's economic situation, nature, scope and duration of business relationship, can cause or contribute to failure by the Buyer and a particular disadvantage of installation of the Goods supplied. Especially damages, costs and expenses to be paid by the Supplier, must have an appropriate relationship with the value of the part to be delivered.

11.6 To the maximum extent permitted by law, Supplier agrees to indemnify, hold harmless and defend Buyer and its subsidiaries, their directors, officers, employees, agents and customers from and against any losses, liabilities, costs, expenses, actions, claims and complaints and any other obligations and procedures including without limitation any judgment against all fines and penalties, damages, all legal fees and any cost of litigation (bonds) resulting from any violation of these terms. However, the Supplier's obligation to indemnify the Buyer shall not be applied to any liability arising from the sole negligence of Buyer.

11.7 The Supplier will maintain insurance coverage in amounts not less than those whose insurance will cover the following

A limit commercial coverage in the amount of \$ 5,000.00 per occurrence and annual aggregate \$ 10,000.00. The Supplier undertakes to provide insurance policies, setting out the values of coverage, policy numbers and expiration date of the insurance maintained by the Provider that he will appoint a special unit of SMR as an additional insured. These policies should provide that the Buyer will receive a written notice 30 days in advance of the insurance company informing you of any cancellation or reduction in value or scope of coverage. The Supplier's insurance carrier will be assessed at least "A" or better,

under evaluation by AM Best. The insurance of the Supplier will be expected to offer basic and suspension of coverage endorsement. The hiring of insurance coverage and the provision of insurance policies will not rid the Supplier of its obligations and responsibilities under these terms. In the event of a breach of Article 12, Buyer shall have the right to cancel the undelivered portion of any provision of services covered by those terms and will be required to make additional payments, unless the provision of services provided before the cancellation.

The Supplier undertakes to achieve and maintain the safety of the product guarantee. The Supplier shall provide, upon request of the Buyer, evidence of insurance policies written. If the supplier fails to submit evidence of insurance in two weeks, Buyer has the right to purchase insurance on behalf of the Supplier.

12. Documents / Confidentiality

12.1 The buyer owns the copyright of all documents, specifications, photos, drawings, calculations and other documents provided for the execution of his order, these documents should not be disclosed to third parties without written approval of Buyer. They should be used exclusively for the execution of requests to represent the Buyer and Buyer's confidential information must be protected. At the conclusion of the contract must be returned to Buyer without prior request, unless otherwise agreed. Designs or models cannot be maintained, the same applies if the contract is not made or if the contract is dissolved retroactively.

12.2 The use of drawings, reports, specifications, trade secrets, processes and / or any information contained herein is strictly limited to the purposes for which it is transmitted. Right of all ideas, new features or invention described in the data provided, as originating to

the Buyer, and all design, manufacturing, reproduction and sale rights on them are owned and reserved to Buyer. Supplier shall not, without prior written consent, disclose, reproduce or use such information for any other purpose than that for which the material is provided. The Supplier undertakes to require the same guarantees of its own suppliers and employees.

- 12.3 The obligation of confidentiality should be maintained even after the termination of the contract.

13. Intellectual Property Rules

13.1 The supplier undertakes to deliver to any intellectual property rule of a partner part in their country of origin as well as within the Federal Republic of Germany, European Community, North America and Australia is violated. Intellectual property rights including without limitation any rights to any inventions, patents, discoveries, improvements, model, trademark, copyright, industrial design or mask, integrated circuit topography, right of privacy or trade secrets and all rights of any nature in computer software and data, confidential information and all intangible rights and privileges of a similar nature to any of the foregoing, in all cases anywhere in the world, whether registered or not, and shall include all rights to all applications and records for any given one of the foregoing.

13.2 If clause 13.1 as opposed to a partner makes claims against the Buyer due to violations of intellectual property rules, the Supplier is obliged to take the complaint at the request of the Buyer and indemnify the Buyer upon written request. Without prior approval of the Supplier, the Buyer shall not enter into any agreement with partners, particularly an agreement.

13.3 The indemnification obligation of the Buyer refers to all expenses which the Buyer may incur with

respect to the complaints made against Buyer by a partner.

- 13.4 The limitation period is 10 years counted from the time of termination.

14. Ownership interest in the Buyer Tools and Parts

14.1 The entire project, tools, patterns, drawings, information or other equipment provided by the buyer, or acquired by the Supplier the cost of the buyer (to be reimbursed by the Buyer or to be included in the price to be paid for the goods) or on or use of or the manufacture of the goods shall remain or become the sole property of Buyer ("Buyer's property"). If ownership of any property of the Buyer requires a record of any governmental agency in any jurisdiction, the Supplier shall cooperate with Buyer and provide any information required. The Supplier expressly agree that the information will be used in the manufacture or design for third parties without prior written consent

14.2 The Supplier is required to be on time all required services and inspections of the property as well as Purchaser maintenance, repairs on your own. The Supplier shall notify Buyer immediately of any damage if the supplier fails to do so negligently, any claim remains unchanged.

14.3 The supplier must keep the property separate from the Buyer all property of others and must clearly indicate it as "Buyer's Property." The property of the Buyer shall not be removed from the premises of the Supplier without the written instructions of the Buyer, except for purposes of the contract. All properties of the Buyer shall be returned upon termination or cancellation of purchase order or contract, unless otherwise determined either by writing.

14.4 The buyer has irrevocable authority to enter the premises of the Supplier or other premises where the Buyer's properties are located.

Your employees or representatives may take possession of properties and if necessary take them apart from any object which is linked.

14.5 Supplier agrees to indemnify the Buyer for loss of or damage to property during the time in possession, custody or control of the Supplier. During this period the supplier must keep adequate to keep, at its expense, Buyer's property in his name and money with a reputable insurer against loss or damage arising from any cause, the replacement value and shall at the request of Buyer, to present the rules of insurance and the receipts of premiums paid.

14.6 The Supplier must retain ownership of the Buyer free of mortgages, charges, liens or other encumbrances and will ensure that no other document of value is paid.

14.7 The supplier disclaims any guarantee you may have if the properties of the SMR for work done after that or the other side if this clause should not be construed as a waiver of any right to compensation for any changes that may be due to the Supplier for that work.

14.8 As the Buyer provides parts or materials "Parts" to the Supplier. The buyer reserves their ownership of these shares. The processing or transformation of these shares are held by the Supplier on behalf of the Buyer. If the parts retained the Buyer will be processed along with other items not belonging to Buyer, who may acquire ownership of the product associated with the proportional value of shares of the buyer (purchase price plus tax) in respect of items processed.

14.9 If the parts supplied by the Buyer are inseparably combined with other items that do not belong to the Buyer, he must acquire co-ownership of the new product to their proportional value of shares held (purchase price plus tax) for the parties combined at the time of the event. If the combination happens so that items are the main supplier, then it is

agreed that the Supplier transfers co-ownership in proportion to the Buyer, Supplier shall store and maintain exclusive ownership or joint ownership on behalf of the Buyer.

14.10 All Parts supplied to the Buyer provided through agreement (except those which are industrial waste) must be returned in the form of parts or materials not used and the Supplier shall keep the materials with the proper security before his return. The surplus or damaged materials produced Supplier to Buyer shall be discarded or destroyed as not to be used for the purposes for which were not proposed.

15. Cancellation of order / Agreement

In the case of long-term contract for the supply of goods shall apply the following provisions regarding the term and termination.

15.1 Both sides can terminate the contract with written notice.

15.2 In cases where the customer of the Buyer to cancel the order without good cause or exceptional circumstances, the Buyer is entitled, without prejudice to its right of termination under Clause 15.1, to each other enter into any other agreement with the supplier to consider such situation.

Order quantities that are produced by the Supplier prior to this agreement must be accepted and paid by Buyer. Quantities produced in excess will be solely at the risk of the Supplier.

15.3 Each Side can terminate the contract for cause at any time without observing any notice period. Just cause must exist particularly in the following cases:

(i) Suspension of payment by one side, start of insolvency proceedings the assets of a company or the dismissal for lack of assets or bankruptcy of either party, a party has a

bankruptcy order against him or made an arrangement or composition with its creditors or otherwise acquired the benefit of law to the reduction of debts or insolvent, or has been allowed to run any legal or equitable to be levied on your property or obtained against him or (being a corporate group) has convened a meeting of creditors (whether formal or informal) or has enacted bankruptcy (whether voluntary or involuntary) except a solvent voluntary bankruptcy for the sole purpose of reconstruction or amalgamation or has a business manager or administrator appointed depositary for such purpose or any part thereof or a resolution has been passed or petition presented to any court for the settlement of this Part or any proceedings have been initiated on the insolvency or possible insolvency of either side.

- (ii) Material breach of contractual obligations in the event of any violation that can be remedied, though only after the innocent party may request the other party to the solution of the violation by the other party written warning of an impending termination for cause, and defining a reasonable period of tolerance of at least four weeks of the expiration time, without success.
- (iii) One of the companies, due to change of its shareholders is under dominant control of a competitor of the other side.

15.4 In case of cancellation or termination other than the contract, the Supplier shall return all items supplied by Buyer, including all projects, documents, equipment and tools.

16. Force Majeure

Events that are unforeseeable, unavoidable and are outside the influence of the Supplier and for which the supplier has no fault, with

such, Acts of God, war, natural disasters or labor disputes (eg strike or shutdown) shall release the supplier for the duration of such event the obligation to perform the deliveries on time or before the deadline. Agreed deadlines shall be extended for a period of misfortune, the Purchaser will be informed of the event in a reasonable way. If the end of misfortune is not predictable, or has lasted more than a month, each Side must have the right to terminate / cancel the contract.

17. Other provisions

- 17.1 In the event any provision of this Terms of Purchase be invalid, illegal or unenforceable, that condition should be evaluated, modified or restricted to the extent necessary to make it valid, legal and enforceable. If such modification or restriction is not possible invalidity of one or more of these clauses do not affect the validity or the validity of the remaining contract.
- 17.2 The Supplier must not sign any purchase order or contract, or part, without the prior written consent of Buyer.
- 17.3 The Supplier must not maintain one or more subcontractors for unloading all or part of any purchase order, without prior written consent of Buyer.
- 17.4 In performing its contractual obligations the Supplier must comply with the legal and official regulations relating to environmental protection.
- 17.5 The substances (heavy metals) that are relevant according to the EC End of Life Vehicles Directive (ELV) must be entered into the IMDS database on behalf of the Supplier.
- 17.6 If the Supplier move plants or plant shall notify Buyer in advance and consult with the Buyer of any consequence on the manufacture

and delivery of goods, in particular, hold a further submission of samples of the Goods at the conclusion of the change.

18. Laws, Jurisdiction and Venue

- 18.1 Contractual relations between the Buyer and the Supplier shall be governed by the laws of the Brazil.
- 18.2 The exclusive place of jurisdiction is the Brazil. The Buyer can process with the Supplier in the presence of any court or court claim against him.
- 18.3 The place of fulfillment of obligations of a contract is a place designated by the buyer for delivery of goods as indicated on the purchase order.