

GENERAL PURCHASE CONDITIONS - INTERNATIONAL



PÓLUX
TRANSFORMADORES

1. The application.

1.1 These general international purchase conditions apply to purchases of any materials, items, products, components and services that may at some point be acquired by Pólux.

1.2 This policy forms an integral part of any solicitation, order, accepted quote or offer ("Purchase Order") transmitted by Buyer to Seller. Only this policy, the provisions contained in the Purchase Order and any other documents referenced in the signed PI are binding on the buyer.

1.3 If any term of this policy is not applicable for any reason, the remaining terms and conditions will not be affected.

1.4 If there is a distance or ambiguity between the conditions set out in a Purchase Order and this policy, the conditions contained in the signed PI shall prevail.

1.5 After sending the purchase order, the supplier has up to 48 hours to confirm receipt of the order.

2. Prices.

2.1 In the event of impossibility of complying with any information on the purchase order, the supplier has the obligation to inform it immediately.

2.2 The Proforma Invoice (PI) must contain: (i) order number, date, supplier and buyer data (Pólux); (ii) Description, HS Code, quantity, unit, unit price and total price of each item; (iii) delivery time, payment time, destination (from/to); (iv) bank information.

2.3 Payment will be made by Buyer as agreed in signed Proforma Invoice.

3. Delivery.

3.1 Delivery must be followed and respected as agreed in signed PI.

3.3 The transfer of risk and title from the seller to the buyer, in each shipment of goods, takes effect when the goods are delivered, in accordance with the agreement between buyer and seller in the signed PI. The seller guarantees that it will own and deliver the goods free and clear of all liens,

charges and encumbrances.

4. Before delivery.

4.1 The seller will inspect the goods for compliance with the specifications, quality, weight and physical dimensions specified in the signed PI, as well as the seller shall guarantee that goods and goods' package are intact and free of damage.

4.2 The goods will be packed in such a way that they are not damaged during transport or handling. All items will be appropriately marked: (i) in accordance with buyer's reasonable instructions; (iii) specifying the signed PI number, seller identification, item number, delivery location, description, weight and quantity of the item; and (iv) with all necessary markings for proper delivery and assembly.

4.3 Suspension and movement accessories will be provided together with the goods.

5. Transport.

5.1 Suppliers must take all necessary measures to properly storage the goods in the container and transport the products by all appropriate means, as well as to use all appropriate equipment and accessories. The suppliers shall organize the transport of the products to the place of delivery in order to avoid damage to them, as well as to avoid difficulties in unloading the products at the buyer's place of delivery.

5.2 Suppliers shall immediately notify the buyer, in writing, of any delay and simultaneously provide all information regarding the reason and/or extent of the delay, as well as all measures that will be taken in order to avoid such delay or accelerate delivery.

5.3 Suppliers must obligatorily follow the recommendations in the annexes below: [Pallet spacing](#).

5.4 It is indicated that the package does not contain wood. Plywood, or steel are allowed. If it is impossible to avoid the wood in the packaging, it must be fumigated and the fumigation certificate must be sent to the buyer and importer.

6. Acceptance and inspection.

6.1 Buyer will be able to verify the progress and proper fulfillment of the signed PI.

6.2 The Seller must send the quality certificate (MILL or MTC) of the goods as soon as its were sent.

6.3 The buyer will notify the seller of any obvious defect in the goods and may reject the defective goods within 28 (twenty-eight) days of delivery and ask the seller to collect them at its own expense and risk.

6.4 The buyer establishes a period of 7 (seven) days, as the maximum delay in deliveries, after 7 (seven) days, the goods will no longer be accepted, unless agreed between buyer and seller, leaving the buyer exempt from any financial responsibility, taking into account that the seller has the obligation to comply with the deadlines established in the signed PI and in this document. If the buyer has already made the payment, the seller has the obligation to reimburse the buyer for the amount paid by the latter, within a maximum period of 5 days, if it does not do so, it will be subject to Brazilian civil penalties.

6.5 The item above does not apply in cases or Force Majeure.

7. Technical documentation.

7.1 Until the date of delivery, the seller shall deliver to the buyer all technical documentation relating to the goods and any other documentation commonly supplied with the goods or reasonably requested by the buyer. This technical documentation is the property of the buyer and is considered an integral part of the goods, all documents must be in English.

8. Warranty and liability.

8.1 Seller warrants that the Goods: (a) conform to agreed specifications and requirements; (b) are suitable for the purpose(s) that were previously informed to Seller; (c) are free from defects in design, materials and workmanship, and from any, liens or encumbrances; and (d) meet

applicable legal requirements and standards.

8.2 If any products, under any circumstances, do not conform to what was guaranteed, the buyer will have the option, by means of written notification to the Suppliers, of: (a) rescinding the Order in accordance with the provisions of Clause 13 (Termination); (b) accept such Products at an equitable price reduction; or (c) refuse such non-conforming Products and request delivery of replacement products or necessary repairs at suppliers' expense. All products refused for any reason will be returned to the suppliers, at the suppliers' risk and expense, or will be stored at the suppliers' risk and expense in the buyer's warehouses. After 15 days of notification of rejection, suppliers must be obliged to pay the costs related to the storage of the products in the warehouses.

8.3 If suppliers fail to deliver suitable replacement products or fail to carry out repairs promptly or urgently, as the case may be, buyer shall be entitled to replace or repair such products through an alternative supplier and to require suppliers to reimburse all costs incurred.

8.4 Any repaired or replaced products will be subject to the provisions of this Clause and the warranty period established herein shall start from the new delivery or repair.

8.5 Suppliers shall be liable for any direct, indirect, incidental, special and consequential losses and damages, including lost profits, incurred by Buyer as a result of any delays, defects in products or any other deficiencies in the performance of suppliers.

8.6 Buyer's rights and remedies set out in the General Purchasing Conditions shall apply in conjunction with any other rights and remedies provided by law.

8.7 No inspection, approval or acceptance of products shall, under any circumstances, release suppliers from liability for defects or other non-compliance with order requirements.

8.8 For the entire term of the contract, including the warranty period, the suppliers guarantee to provide the products, and their

parts or components for repair, maintenance or extensions, and also provide additional guarantee that the production or distribution of such products will not be interrupted. If suppliers decide to stop production of part or all of the products after the end date of the order, suppliers must inform the buyer of said fact at least one year in advance, so that the buyer still has the opportunity to place orders additional.

9. Intellectual property rights.

9.1 Suppliers warrant that neither the products nor the sale thereof covered by the order will infringe or violate any third party trademarks, patents, copyrights or other legal rights. Suppliers shall indemnify and hold Buyer harmless from any actions or claims, obligations, losses, attorneys' fees, expenses and damages due or incurred for any infringement of intellectual property rights. Suppliers, at their own expense if so requested by Buyer, shall defend Buyer from any such claims, and lawsuits.

9.2 If the products become subject to lawsuits or lawsuits related to the infringement of intellectual property rights, suppliers must obtain, as soon as possible, the right to use the products by the buyer or modify or replace the products in order to stop the infringement. Modification or replacement of the products must never result in a decrease or reduction in the functionality or suitability of the products for the purchaser's particular purposes of use. If suppliers fail to fulfill their obligations as set out in this document, the buyer, upon notice with eight working days' notice, may take all necessary measures and shall be reimbursed for the full cost of the goods by the suppliers.

9.3 Patentable inventions and creations subject to protection, as well as the respective results, insofar as they relate to the application, will belong to the buyer unless the suppliers establish that such items come from the exclusive inventive capacity of the suppliers and that they were developed to despite the request.

10. Confidentiality.

10.1 All written or verbal information provided to Suppliers by the buyer, referring to the buyer's know-how, specifications, procedures, needs and all technical information, documents and data must be treated as confidential and must not be disclosed to third parties without prior authorization, in writing, from the buyer for at least 10 (ten) years from the date of disclosure to suppliers. Such information shall be used exclusively for the execution of the order or in the elaboration of offers or quotations.

11. Force majeure.

11.1 Neither party is liable for any delay or failure to perform, in whole or in part, the signed PI, to the extent that such performance has been prevented, delayed or made impossible by an event beyond its reasonable control, which could not have been foreseen on the date of the signed PI, and which could not reasonably have been avoided; including, but not limited to, general strikes, epidemics, floods, earthquakes, war, embargo and popular uprisings (each duly certified by competent authority or Chamber of Commerce as being "Force Majeure" where applicable). Force Majeure does not include any strike, lockout or other labor dispute initiated by or involving only workers or employees acting within the organization of one of the Parties.

11.2 Alleging Force Majeure will provide proof of this to the other party, and a communication that its performance has been or may be prevented or delayed, must be delivered within 5 (five) days from the occurrence and will use all commercially available efforts reasonable measures to mitigate the effects of Force Majeure.

11.3 If the effects of Force Majeure last for a period of 3 (three) months or less, the affected goods must be delivered within 6 (six) months after the effects of Force Majeure ceased.

11.4 If the effects of Force Majeure last for more than three (3) months, either party may terminate the signed PI by giving notice.

11.5 The party claiming Force Majeure will have a period of 05 (five) days to notify the other party, with the end of Force Majeure.

12. Subcontracting.

12.1 If suppliers are authorized to subcontract part of their obligations to third parties, such subcontracting must occur under their sole and total responsibility. Suppliers shall inform all subcontractors of the provisions of this policy, as well as those of the order, and shall provide them with all information relating to the buyer's requirements, especially in relation to applicable safety standards. Buyer reserves the right to refuse any subcontractors of suppliers who do not comply with these conditions.

13. Fraud and corruption.

13.1 Suppliers shall prevent any fraudulent activity by their representatives in connection with the receipt of any funds from the buyer. Suppliers warrant and undertake that they have not, and will not, give any gratuity or commission, nor have they agreed and will not agree to pay a commission to any employee, agent, employee or representative of the buyer, in connection with the order or any other contract entered into with the buyer. If the suppliers, or anyone acting on their behalf, are failing to comply with the provisions set out above, the buyer may (i) rescind the order and receive from the suppliers the amount of any damages suffered by the buyer resulting from such termination; or (ii) be fully reimbursed by suppliers for any damage suffered by the buyer as a result of any breach of this clause 16, regardless of whether or not the order in question is terminated.

14. Assignment.

14.1 Neither party may assign or transfer its rights and/or obligations under the signed PI (including the right to receive payment) without the prior written consent of the other party. Such consent may not be unreasonably withheld or delayed.

15. Termination.

15.1 The buyer may, at any time, and even if the suppliers are not in default, suspend the order for a period determined by it or close it, in whole or in part, upon notification presented to the suppliers three days in advance. In the event of such termination, Suppliers may invoice Buyer for order-related costs incurred up to the date of termination. In no event shall suppliers be entitled to any compensation for incidental or consequential damages or lost profits. Except cases agreed individually through the signed PI.

15.2 In the event of non-compliance by the suppliers with any term or condition of the order, the buyer may, by notifying the suppliers in writing and without prejudice to any other general conditions of purchase, rescind the order in part or in its entirety, without incurring any liability. or additional obligation, and may also be reimbursed by the suppliers of all corresponding amounts paid by the buyer, as well as any additional costs incurred in replacing with products from an alternative supplier, and compensation for damages suffered by the buyer as a result of delays from suppliers. The same will apply in case of delay in the production or assembly of the products by the suppliers that jeopardizes the execution of the order within the established period and in accordance with its conditions. Termination must be made by registered letter, with request for acknowledgment of receipt, five days after the date of formal notification of non-compliance to Suppliers.

15.3 Buyer may terminate the order

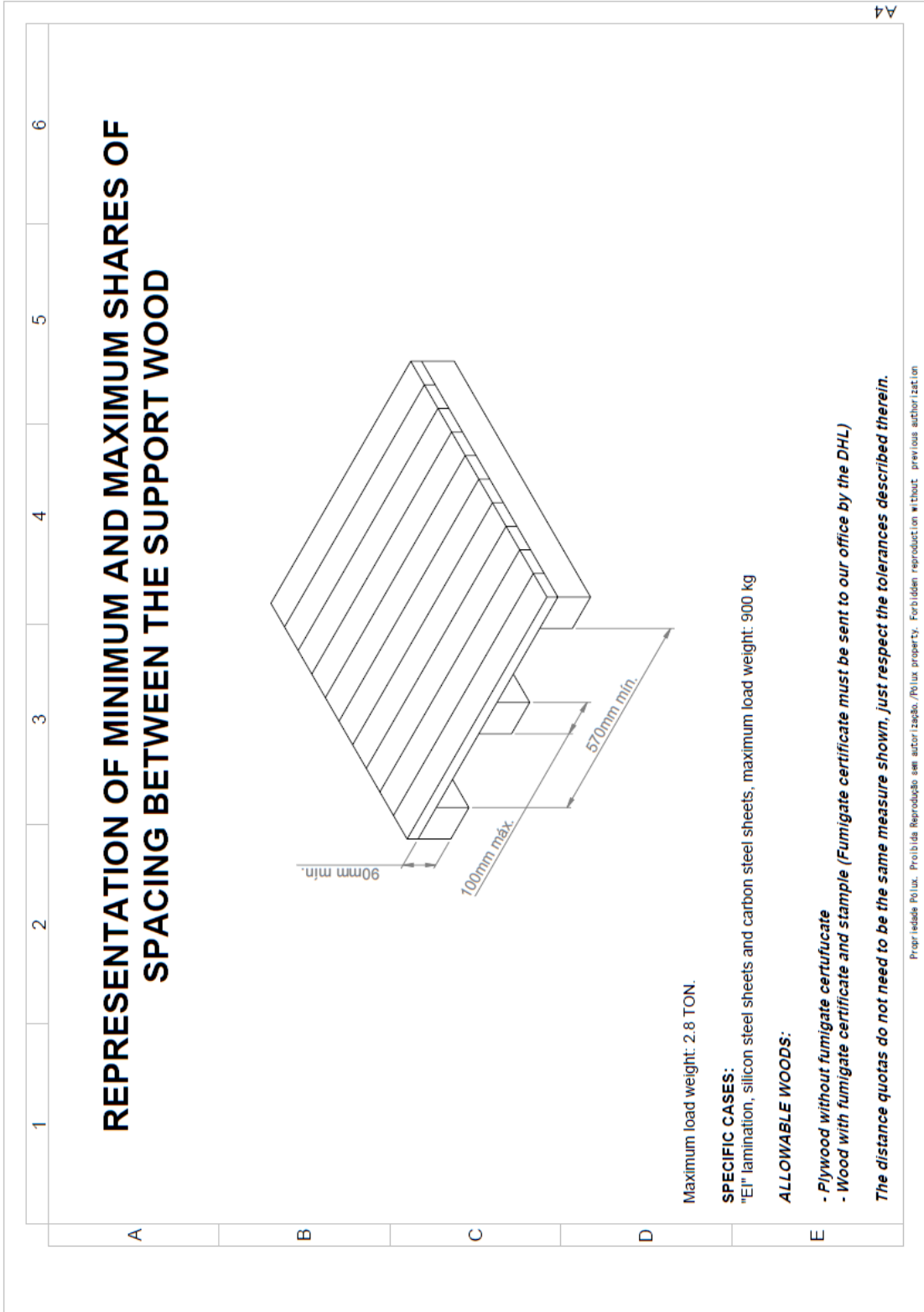
immediately, without further obligation or liability, if it has good reason to believe that suppliers will not be able to normally perform all of their obligations.

16. Jurisdiction – Applicable law.

16.1 The order will be governed and interpreted exclusively in accordance with the laws of the buyer's domicile.

16.2 Any and all disputes relating to the order shall be resolved by the competent courts of the buyer's domicile. However, the buyer reserves the right exclusive right to submit any dispute involving the suppliers to the courts of the domicile of jurisdiction of the suppliers or before the courts existing in the place of delivery of the products.

Pallet spacing.



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