

## **GENERAL CONDITIONS OF SUPPLY OF METALFRIO SOLUTIONS S.A**

### **1. PREAMBLE**

1.1. This instrument establishes the general rules of supply and delivery for METALFRIO SOLUTIONS S.A. ("METALFRIO") by its SUPPLIERS.

1.2. The "GENERAL CONDITIONS OF SUPPLY OF METALFRIO SOLUTIONS S.A" ("General Conditions of Supply") are fully effective and binding unless expressly changed in whole or in part by written agreement between the parties.

1.3. The SUPPLIER shall automatically state that it is fully in compliance with the clauses of this instrument at the time of acceptance of the Orders and/or Purchase Orders issued by METALFRIO, and an electronic copy of these General Conditions of Supply is permanently made available to the SUPPLIER.

### **2. REGISTRATION**

2.1. The SUPPLIER shall send all information and documents requested by METALFRIO for elaboration and/or updating of registration.

2.2 The information and documents will be analyzed in order to verify the specific requirements of METALFRIO and others inherent the product manufactured.

### **3. ORDER AND/OR PURCHASE ORDER**

3.1. Orders and/or purchase orders will be issued to the SUPPLIER by METALFRIO, in writing, by electronic transmission of data or by internet: PORTAL DO FORNECEDOR METALFRIO (METALFRIO SUPPLIER'S PORTAL) on the Internet:

<http://www.metalfrío.com.br/ic/login/login.php>

3.2. If the Orders and/or Purchase Orders are not expressly rejected by the SUPPLIER within 2 (two) business days after their receipt, they will be considered as fully accepted.

3.3. The acceptance of the Order and/or Purchase Order by the SUPPLIER automatically converts this document into a Supply Contract, regardless of any formalization.

3.4. The SUPPLIER must respect the quantities and dates to be delivered according to Order and/or Purchase Order. Any change in quantities and dates should be negotiated with the Material Planning and Control ("PCM") team. The Order number and/or Purchase Order must be quoted in the "Comment" field of the respective Invoice that accompanies the delivery.

#### **4. PRICES AND COMMERCIAL CONDITIONS**

4.1. The prices and conditions of payment are those agreed upon and by mutual agreement between the parties.

4.2. The price charged shall be that in force on the date of the order request and/or purchase order, being that the invoicing with the price differing from the original order and/or purchase order will be disregarded.

4.3. METALFRIO undertakes to pay in full the total or partial value of the products supplied in accordance with the deliveries made by the SUPPLIER. Payment will be made on the 5th of the month following the expiration of the bill/Invoice, considered the payment term negotiated with the Purchasing department.

#### **5. DELIVERY**

5.1. The SUPPLIER must make available the good with the corresponding invoice ("NF"), as well as the data referring to the purchase order number/installment.

5.2. The SUPPLIER should send an e-mail to [nfe@metalfrio.com.br](mailto:nfe@metalfrio.com.br) with the electronic invoice (xml file) before sending the products. If the file containing the electronic invoice is not sent before the products delivery, METALFRIO reserves the right to charge, as compensation, the amount of R\$ 200.00 (two hundred reais) per invoice, and such mentioned value must be deducted from the next payments due by METALFRIO to the SUPPLIER.

5.3. Any divergence of price, quantity, product and payment term between order and/or purchase order and the invoice may result, in METALFRIO's sole discretion, the return of nonconforming material and/or retention of payment until satisfactory solution of the divergence by the SUPPLIER.

5.4. If the deadline accepted in the order and/or purchase order is not fulfilled by the SUPPLIER's

exclusive responsibility, including in the event of divergence of price, quantity, product and payment term between order and/or purchase order and invoice/bill, METALFRIO may impose a fine of 0.5% (half percent) per day of delay, up to the limit of 10% (ten percent) of the value of the order and/or purchase order.

5.5. In the event that the SUPPLIER does not deliver the order and/or purchase order in full or in part within the regulated period and accepted for its responsibility, METALFRIO may at its discretion cancel the order and/or purchase order in whole or in part.

5.6. The SUPPLIER, when delivering the orders and/or purchase orders in METALFRIO units, must observe the time of receipt of the products printed on the order or purchase order.

5.7.

5.8. METALFRIO will not receive deliveries on the last two business days of each month in order not to conflict with the month-end closing process.

5.9. It is optional for METALFRIO to suspend and/or cancel an order and/or purchase order without penalty, provided that such request is sent in writing by METALFRIO to the SUPPLIER at least seven (7) days prior to the scheduled delivery date of the products.

## **6. QUALITY ASSURANCE**

6.1. It is the responsibility of the SUPPLIER to implement and maintain a strict quality control on its products, making sure of the quality before delivery to METALFRIO.

6.2. METALFRIO reserves the right to verify the compliance of the delivered product and, if any divergence is found, the SUPPLIER shall arrange for the immediate replacement of the non-compliant products, assuming all relevant expenses, including freight charges.

6.3. METALFRIO reserves the right to make any changes to its technical documentation at any time. The new information will be sent in writing or via electronic transmission of data to the SUPPLIER, which has a deadline of one (1) business day to inform its needs to carry out the change. If there is no response from the communication, the change will be implemented and considered accepted. If there is any divergence, the responsibility will be assigned to the SUPPLIER.

6.4. The SUPPLIER agrees not to change any process and/or specification of the items supplied to

METALFRIO, without its prior written agreement.

6.5. METALFRIO, through its employees or agents, reserves the right to inspect/audit completely the SUPPLIER's manufacture, in order to examine the raw material, process and components that such good is produced, as well as to verify if the SUPPLIER is complying with the provisions of the General Conditions of Supply. The SUPPLIER will agree to provide full cooperation and assistance of its employees and agents during the inspection and/or audit.

6.6. The SUPPLIER shall provide METALFRIO with detailed information regarding any problems or claims regarding the quality and reliability of the products manufactured.

6.7. The SUPPLIER shall reimburse METALFRIO for any and all expenses incurred in connection with any repair, replacement or reimbursement program that (i) deemed necessary by the parties or (ii) required by an order of a governmental agency or body with competence for both to correct a manufacturing defect that affects the safety, functionality and/or other quality requirements of the products.

6.8. All material supplied to METALFRIO that has a term of validity, will only be considered as if said term is more than 2/3 (two thirds) of its useful life, counted from the date of receipt of the material by METALFRIO.

6.9. The minimum period of 15 (fifteen) months of the products warranty supplied to METALFRIO, established from the date of the invoice of sale of METALFRIO products to its customers, is established.

6.10. In case of non-compliance, the SUPPLIER shall be notified in writing and shall appear within 24 (twenty four) hours at the premises of the respective METALFRIO production plant or warehouse, in order to select and/or repair the inventory of components and/or METALFRIO product, as well as take the necessary actions to correct the problem immediately and avoid its recurrence. The SUPPLIER shall withdraw the defective lots or products within 72 (seventy-two) hours, after which time, if there is no withdrawal, METALFRIO will return these products through a carrier with freight to be paid by the SUPPLIER.

6.11. METALFRIO reserves the right to charge to the SUPPLIER eventual costs related to selection and/or emergency rework services used in an attempt to avoid losses in its production until the complete replacement of METALFRIO with the defective products.

6.12. Non-compliance reports, sent by e-mail, must be completed with cause analysis and action plan and sent to METALFRIO's purchasing and quality department within a maximum of 10 days.

6.13. For each report of non-compliance issued by METALFRIO, a fine will be charged to the SUPPLIER in the amount of R\$ 600.00. The SUPPLIER shall have the opportunity to analyze and contest the non-compliance within 10 days of the date of issuance of the Non-Compliance Document (DNC), according to the above clause. If there is no return from the SUPPLIER, the fine set forth in this item will be automatically charged discounting the fine of the next payments due to the SUPPLIER.

6.14. In the event of the METALFRIO production line being stopped for exclusive responsibility of the SUPPLIER, whether due to quality problems and/or delivery delays, METALFRIO reserves the right to charge the SUPPLIER for all the duly substantiated damages caused by the stoppage of the productive line, as compensation/indemnification.

6.15. The SUPPLIER warrants that all items supplied are in accordance with the terms of applicable laws and regulations, including safety rules and standards.

6.16. In addition to all rights and obligations set forth in these General Conditions of Supply, METALFRIO shall also have the right to immediately suspend all deliveries and/or terminate this agreement if (i) the SUPPLIER does not eliminate the risks, flaws or defects of the supplied components after be notified by METALFRIO, (ii) any government agency concludes that the product risks the user's integrity or does not meet a compulsory certification requirement, without the SUPPLIER being entitled to any indemnity, in the cases of suspension or termination set forth in this item.

6.17. If the product supplied to METALFRIO needs specific certificates, such as UL or IEC, the SUPPLIER is obliged to communicate in advance any intention to change its product, as well as maintain and send all updated certification to METALFRIO.

## **7. INDEMNIFICATION AND INSURANCE**

7.1. The SUPPLIER agrees to defend and indemnify METALFRIO for any costs resulting from death, personal injury or material damage resulting from proven defects in the manufacture of the products or its subassemblies provided to METALFRIO. The SUPPLIER shall assume the defense of any judicial or administrative proceedings related to these events, provided that METALFRIO promptly notified them of their occurrence. METALFRIO undertakes to cooperate with the SUPPLIER for the solution of these problems and to formulate the defenses in judicial and/or administrative proceedings, being the

exclusive responsibility of the SUPPLIER all the costs incurred in the conduct of the proceedings, including but not limited to the procedural costs, attorney's fees and convictions.

## **8. PACKAGING AND BRANDS**

8.1. THE SUPPLIER acknowledges and declares that all brands, expressions, symbols or insignia that METALFRIO instructs to place in the goods is the exclusive property of METALFRIO or licensed by third parties to METALFRIO and that the SUPPLIER does not acquire any rights to such marks, expressions, symbols or insignia by virtue of the established in the General Conditions of Supply.

8.2. In the event of cancellation or termination of the General Conditions of Supply, whichever is the reason, the SUPPLIER shall immediately cease to manufacture any products bearing the marks, expressions, symbols or insignia of METALFRIO and shall return or, according to METALFRIO instructions, to destroy all products containing such marks, as the case may be.

## **9. CONFIDENTIALITY**

9.1. Any and all information, data, registers, materials, drawings, technical or commercial specifications, innovations or improvements presented by one party to the other, or which may be accessed in any way, directly or indirectly related to the object of these General Conditions of Supply, should be treated with absolute confidentiality and with the strictest confidentiality, in order to avoid, by any means or form, their knowledge to third parties, either during or after its validity. The parties will only use the data, registers, information and documents provided among them for the strict fulfillment of these General Conditions of Supply. The use of confidential information for any other purpose not provided for herein requires prior written authorization from one party to another.

9.2. Failure by the SUPPLIER, its employees or employees, regarding the confidentiality of the information, will imply a fine of 100 times the value of the annual supply, without prejudice to the compensation of losses and damages that occur as a result of the infraction.

## **10. ACT OF GOD AND FORCE MAJEURE**

10.1. In the event that the SUPPLIER is unable to comply, in whole or in part, with any obligation stipulated due to the situation of act of God or force majeure duly proven, it will be automatically released from the fulfillment of its obligations.

## **11. METALFRIO'S SUSTAINABLE PURCHASE POLICY**

11.1. The SUPPLIER must comply with the applicable laws and regulations in force, observing local laws, prohibiting the use of child labor, and in no circumstances permitting the use of forced, compulsory and abusive labor, promoting equal employment opportunities, prohibiting discrimination in the contracting and conduct of work with respect to race, color, religion, sex, age group, physical dexterity, country of origin or otherwise provided by law. The SUPPLIER's employees must receive salaries and benefits and work hours and overtime, in accordance with the applicable laws in force and in accordance with their collective agreements. The SUPPLIER should offer its employees safe and healthy working conditions in business environment and integrity. If the standards laid down in the 8 International Labor Organization (ILO) Fundamental Conventions are higher than the local standards, the supplier will have to comply with ILO standards.

11.2. The SUPPLIER shall not, directly or through intermediaries, offer or promise any personal or improper advantage with the purpose of obtaining or maintaining a business with METALFRIO or for the benefit of third parties, whether public or private. The SUPPLIER also cannot accept any of these advantages in exchange for preferential treatment of METALFRIO or third parties.

11.3. The SUPPLIER shall strictly comply with current legislation and codes and environmental standards applicable to the development of its activities, as well as adopt measures to prevent, control and mitigate environmental impacts and seek continuous improvement in its process cycle through the use of environmentally sound technology. It should also stimulate the awareness of its employees, customers and suppliers for the sustainable use of renewable and non-renewable natural resources, as well as know and respect METALFRIO's Environmental Policy, complying with its principles in the development of good delivery activities, or by an employee of own or contracted carrier.

11.4. The SUPPLIER agrees to adopt and maintain a transparent relationship with METALFRIO based on trust, ethical conduct and respect, following all rules and regulations, respecting the laws in force.

11.5. The principles of conduct required of the SUPPLIER are the same as that guide METALFRIO in the conduct of its business.

11.6. During the validity of the General Conditions of Supply, METALFRIO encourages the SUPPLIER and its employees to report any irregular, fraudulent, and corrupt acts and that is in violation of the principles contained in this Clause 11, by telephone +55 (11) 2627-9086 or the e-mail [channeldeetica@metalfrio.com.br](mailto:channeldeetica@metalfrio.com.br).

## 12. GENERAL DISPOSITIONS

12.1. METALFRIO reserves the right to change the conditions provided in these General Conditions of Supply, with the commitment to inform the SUPPLIER in advance of the new conditions that will be applied, as well as the date of modification.

12.2. If for any reason any provision of this term becomes invalid, unlawful or unenforceable by any competent court, the parties shall negotiate in good faith to agree on provisions replacing them and to maintain, as far as possible, the commercial interests balance of the Parties. In this case, the other contractual provisions not affected by the legal prohibition will remain with their full effectiveness.

12.3. The non-exercise by any of the parties of their rights or the non-requirement of the fulfillment of obligations contracted by the opposing party within the agreed periods, will not matter in resignation or novation and will not prevent its exercise or its requirement at any time.

12.4. Any fines that may be imposed do not exempt the parties from the reimbursement of losses and damages resulting from the reasons that determined them and will be applied without prejudice to other applicable legal sanctions.

12.5. The Manual of Suppliers is available in the METALFRIO'S SUPPLY PORTAL (<http://www.metalfrio.com.br/site/brasil/pt/fornecedores/fornecedores.aspx>) and is an integral part of the General Conditions of Supply.

12.6. The METALFRIO'S Environmental Policy is available at:

([http://www.metalfrio.com.br/site/brasil/pt/empresa/meio\\_ambiente/meio\\_ambiente.aspx](http://www.metalfrio.com.br/site/brasil/pt/empresa/meio_ambiente/meio_ambiente.aspx)) and is an integral part of the General Conditions of Supply.

## 13. FORUM OF JURISDICTION

13.1. The parties elect the Central Forum of the City of São Paulo to settle any disputes arising from these General Conditions of Supply, to the detriment of any other, however privileged it may be.

**São Paulo, November 26, 2018.**





**Metalfrio Solutions S.A.**  
Av. Abrahão Gonçalves Braga, 412  
Vila Liviero  
São Paulo SP Brasil  
04186-220  
Tel: 55 11 2627 9000  
Fax: 55 11 2627 9195  
**[www.metalfrio.com.br](http://www.metalfrio.com.br)**  
**[www.metalfriosolutions.com](http://www.metalfriosolutions.com)**

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Company Name:

Name of Person in Charge:

