

## GENERAL CONDITIONS FOR SALE OF CAST AND MACHINED PARTS

### 1. RECITALS

- 1.1. These "General Conditions for Sale of Cast and Machined Parts" ("General Conditions") regulate all supply of cast and machined parts ("Parts") from ROMI S.A. ("**ROMI**"), and are an integral part of any and all Commercial Proposals from **ROMI** ("Proposal"), each individual Purchase Order ("Purchase Order") of the BUYER and/or Agreement for such purpose ("Agreement").
- 1.2. The Proposal, Purchase Order and/or Agreement will provide for the purpose of the sale and its specific conditions, and the parties are bound only upon mutual acceptance of these documents.
- 1.3. The Proposal, Purchase Order or Agreement may except sections of these General Conditions, noting that, in case of conflict and/or omission of any provision of the aforementioned documents, the provisions of these General Conditions will prevail, including over any general conditions of the BUYER.

### 2. QUOTE

- 2.1. The mere fulfillment of the request for a Quote does not generate any obligation for **ROMI**, however, on acceptance by the BUYER, for the purposes of these General Conditions the Quote is held equivalent to the Purchase Order.
- 2.2. The quotation request by the BUYER must be accompanied by the respective 2D drawing and solid 3D of the Part and the relevant technical specifications, in a clear and complete manner.
- 2.3. The price and deadline indicated in the Quote are based on the level of Parts Development Planning informed at the time of the requested Quote, and are subject to change in the event of changes to the requirements contained at this level.

### 3. ACCEPTANCE OF THE PURCHASE ORDER

- 3.1. The Proposal, Purchase Order or Agreement will be deemed accepted and valid for **ROMI** when in writing and formally accepted by the other party.
- 3.2. Any negotiations between **ROMI** and the BUYER related to any Proposal, Purchase Order, or Agreement shall be made in writing and will only be valid after mutual acceptance.
- 3.3. If the Proposal, Purchase Order or Agreement contemplates deliveries in installments, the BUYER must attach a delivery schedule to these documents, covering at least six (6) months, and the quantities must be firm, always for the first two (2) months.
- 3.4. Changes to, and/or cancellations of, the Proposal, Purchase Order, or Agreement may be requested by the BUYER after elapse of the first two (2) months referred to in section 3.3, upon a thirty (30)-day advance notice, subject to prior and mutual agreement between the parties.
  - 3.4.1. During the first two (2) months provided for in section 3.3, the BUYER's request for any changes to the Proposal, Purchase Order, or Agreement will be evaluated by **ROMI**, which, at its sole discretion, may refuse it.
  - 3.4.2. Changes to, and/or total or partial cancellations of, the Proposal, Purchase Order, or Agreement requested at any time will subject the BUYER to reimbursement for all expenses incurred by ROMI and any expenses for disposal of manufactured parts or in manufacturing process, as well as damages.
- 3.5. The Parts will be manufactured and supplied in accordance with the drawings and specifications agreed upon acceptance of the Proposal, Purchase Order, or Agreement,

subject to the dimensional tolerances established by the standards agreed between the parties.

- 3.6. Packaging owned by **ROMI** must be returned by the BUYER within a maximum period of twenty (20) days after receipt of the Parts.
- 3.7. The supply complies with internationally recognized technical standards, including INCOTERMS, as well as regulations and standards in force in Brazil.
- 3.8. Whenever the Parts need to meet other regulatory technical standards, including safety standards in force at the destination, the responsibility for meeting these needs or requirements will lie with the BUYER. Any inspections or tests that, due to these standards, need to be carried out at **ROMI** factory, will be carried out and paid for by the BUYER.

#### **4. PRICE AND ADJUSTMENT**

- 4.1. The price of the PRODUCT, including casting and machining parts and tools, has been established in dollar (USD) taking into account the tax and social charges in force on the date of this Purchase Order.
- 4.2. If, up to the date of issue of the Invoice, any taxes are created or changed, or any tax exemption or benefit is revoked, directly or indirectly affecting the contracted price, this will be changed proportionally.
- 4.3. Prices will be added with the applicable taxes and passed on to the BUYER; If payment is made in installments, prices will be subject to financial charges.
- 4.4. If, up to the date of issuance of the Invoice, the creation of, and/or changes in taxes levied on the Parts occurs, as well as the revocation of a tax exemption or benefit, directly or indirectly reflecting on the contracted price, it will be proportionally changed.
- 4.5. Prices will be adjusted by mutual agreement between the parties, at a frequency and under conditions to be negotiated.
- 4.6. Cost variations occurring between the Proposal and the effective date of commencement of supply, including development costs, will be applied by **ROMI** to the quoted price.

#### **5. PAYMENT TERMS**

- 5.1. The BUYER is required to comply with the payment deadlines set in the Proposal, Order, or Agreement, even if the supply of the Parts has been delayed for reasons that cannot be attributed to **ROMI**.
- 5.2. Failure to pay any amount arising from the Order on the date it becomes due shall subject the debtor to the following additions, applicable to the debt:
  - a) Default interest based on the basic financial rate (TBF), or the rate that replaces it, plus two percent (2%) per month, calculated on the updated value, and
  - b) Legally authorized collection expenses.
- 5.3. Payment suspensions, withholdings, delays, or deductions, by the BUYER will not be allowed for any reason whatsoever, without prior written consent from **ROMI**. The BUYER shall forward any request in this regard to its internal contact at ROMI, with a copy to the email address financeiro@romi.com.
- 5.4. **ROMI** reserves the right to suspend the manufacture and/or delivery of the Purchase Order or Agreement signed with the BUYER whenever the latter is in default with its payments to **ROMI**.

#### **6. DEVELOPMENT**

- 6.1. ROMI will start developing a new item only after the BUYER sends the Purchase Order adjusted to the commercial conditions of the ROMI Proposal. If the Parties agree on the advance amounts relating to investments, such amounts must be paid by the BUYER within a period agreed by the Parties, and the development process of the part will be conditional on the payment by the BUYER.
  - 6.1.1. After written approval of the item by the BUYER, ROMI will arrange for the invoicing of the tooling within the payment period set out in the Commercial Proposal, and BUYER will be responsible for sending the Lending Invoice within thirty (30) days after issuance of the billing invoice.
- 6.2. The approval process of the Part for production shall be defined between the parties before acceptance of the Proposal. Any specific requirement requested after the Proposal shall be evaluated by **ROMI** and will depend on the understanding between the parties, which may cause changes in prices and deadlines.
- 6.3. Where applicable and not defined in the Quote request, **ROMI** will use the internal Product Development Planning process as a reference.
- 6.4. In cases where the assets/toolings owned by the BUYER remains unused on ROMI's premises for a period of up to six (6) months due to lack of order, ROMI will notify the BUYER by email to remove it at its expense within sixty (60) days from receipt. Failure to remove within the granted period will authorize ROMI to discard the tooling and write off the Lending from the books, and in such event the BUYER shall provide an amendment to the Lending Agreement formalized between the Parties, closing or removing the no longer used model/tool, in addition to reimbursing ROMI for any costs associated with disposal of the item.

## 7. DELIVERY TIME

- 7.1. The counting of delivery times begins on the date on which the following conditions are met:
  - a) Written acceptance from ROMI of the quantities and delivery dates of the BUYER's order;
  - b) receipt of the initial payment installment, if agreed between the Parties;
  - c) clarification of all technical and commercial issues;
  - d) obtaining any certificates, forms, licenses, authorizations, permits, consular fees and similar charges required at destination;
  - e) delivery of the respective assets/tooling to **ROMI** factory, when supplied by the BUYER, or the expiration of the deadline to manufacture the tooling, when manufactured by **ROMI**.
- 7.2. Events of Acts of God or force majeure, as provided for in Article 393 of the Civil Code, justify the extension of the supply period for as long as the impediment lasts, such as, for example: irregularities in the supply of raw materials, fuel and electricity; work stoppages, accidents in equipment essential to production, suspension of activities, mobilizations, wars, lockouts, whether at **ROMI** factories or those of its main sub-suppliers.
- 7.3. The conditions set out in sections 3.4 et seq. will apply to any changes in delivery times.
- 7.4. Accepted programs are subject to a variation of up to ten percent (10%) up or down in delivery quantities, unless otherwise agreed between the parties.
- 7.5. Delivery times may change in the following cases:
  - a) when established by mutual agreement between **ROMI** and the BUYER, in writing;
  - b) if the BUYER does not make available to **ROMI**, at the appropriate time, the drawings, schemes and other details necessary to fulfill the Purchase Order;
  - c) if the conditions established in the Proposal, Purchase Order, or Agreement are not observed, especially those relating to payments.

- 7.6. Delivery deadlines will be extended for necessary periods to offset delays or stoppages resulting from facts not attributable to **ROMI**, such as: delays in payment or other obligations under the responsibility of the BUYER; reasons of force majeure or Acts of God, including labor disputes or any other contingencies that are beyond **ROMI**'s control, such as failure by raw material suppliers and sub-suppliers in general, to comply with their respective delivery times, as well as casting scraps duly proven.
- 7.7. If the Parts are not removed or cannot be shipped within fifteen (15) days as from **ROMI**'s notice that they are available for withdrawal or shipment, storage will be for the BUYER's account and risk. A storage fee of at least half percent (0.5%) will be charged on the unit value of the stored Parts.
- 7.8. In case storage lasts for a considerable period, after elapse of a fifteen (15)-day advance notice **ROMI** will have the right to relocate the Parts in another way, with the BUYER being responsible for bearing the costs arising from the restorage.
- 7.9. **ROMI** has the right to suspend delivery of Parts if the BUYER fails to comply with obligations relating to any other orders with **ROMI**, including due to lack of any payments due.

## 8. WARRANTY AND RETURN

- 8.1. The warranty period for Parts manufactured by **ROMI** is one hundred and eighty (180) days from the date of issuance of the invoice for delivery of the Parts to the BUYER, which will be considered by **ROMI** as accepted, for all legal purposes and effects.
- 8.2. The repair or replacement of Parts, provided that they are presented within the aforementioned warranty period, will extend its original period proportionally.
- 8.3. During the warranty period, **ROMI**, at its sole discretion and within a period agreed between the parties, will repair, replace or reimburse the corresponding amount of Parts provenly in disagreement with the agreed specifications or a sample accepted by the BUYER, as long as that the complaint is made within the period below:
  - a) within thirty (30) days after the issuance of the invoice, in case of external defects visibly noticeable upon inspection of the Parts;
  - b) within one hundred and eighty (180) days after issuance of the invoice, in case of internal defects only noticeable after machining and assembly of the Parts.
- 8.4. The warranty given by **ROMI** does not cover compensation for any damage and/or losses caused by defective Parts previously identified by the BUYER, which at its sole discretion were placed into service, including any machining costs and other processes to which the defective Parts have been submitted prior to entry into service.
- 8.5. Any identification of a defective part does not exempt the BUYER from paying the price, as **ROMI** will be responsible for repairing, modifying or replacing the part according to section 8.3.
- 8.6. **ROMI** will be solely and exclusively liable for defects identified in the Parts manufactured by it, provided that such defects are proven to have their origin solely and exclusively in **ROMI**'s manufacturing processes or further, when the Parts are in disagreement with the design and the technical specifications agreed and indicated by the BUYER, such liability being limited to the repair or replacement of defective Parts.
- 8.7. Acceptance or non-acceptance of returns will be effected after inspection and judgment by **ROMI**'s Quality Engineering Department, provided that they are accompanied by rejection reports issued by the BUYER.
- 8.8. The warranty given by **ROMI** does not cover repair of defects, damages, or malfunctions of any nature, when originating from:
  - a) Improper use of the Parts;
  - b) Falls, hits, exposure to hostile environments, and force majeure;
  - c) Prolonged lack of use of the Parts, equal to, or greater than, 180 days;

- d) Inadequate storage;
- e) Defects arising from design errors and/or specifications of the BUYER;
- f) Parts supplied after the estimated useful life of the BUYER's tooling.

8.9. The warranty will be considered discontinued in the event of lack of payment, in whole or in part, regarding the supply of Parts.

## 9. QUALITY

- 9.1. The quality control of the parts supplied will be in accordance with the inspection or evaluation rules mentioned in the technical specifications which are an integral part of the development process, and in accordance with the control plans of the three (3) development phases: prototype, pre-launch and release of serial production, agreed by the parties.
- 9.2. The special controls to be carried out by **ROMI** will depend on prior understanding between the Parties, with the BUYER bearing the corresponding expenses.
- 9.3. The records and reports of such controls will be previously defined by the parties.

## 10. SPARE PARTS

- 10.1. ROMI will ensure the supply of spare parts production for a reasonable period of time, not less than the useful life of the Parts supplied, as determined by Article 13, XXI, of Decree 2.181/1997. To measure the useful life of the product, Annex III to SRF Revenue Ruling 1700/2017 will be used.
- 10.2. In the event that the BUYER ceases production, the conditions set out in section 6.4 will apply. In the event of a need to produce spare parts within the legal deadlines set out in section 10.1, the fulfillment of demand by ROMI will be subject to the technical feasibility of manufacturing due to the remaining useful life of the BUYER's assets/toolings, as well as commercial negotiations regarding the sales price and minimum order quantity.

## 11. USEFUL LIFE

- 11.1. All tooling used by ROMI in the production of the Parts will be provided by the BUYER and will have an **estimated useful life**, according to the table below. Considering the merely estimative nature of the established periods, as well as the intrinsic wear and tear of the casting process, ROMI reserves the right to notify the BUYER in the event of a need to replace tooling before the **estimated period**, and in this case, the Parties will agree on the proper time for its replacement, to guarantee the quality of the product supplied, with the BUYER being aware that ROMI may cease production of Parts, free of charge, throughout the period of worn tooling regularization, should it be unfit for production.

TABLE OF ESTIMATED USEFUL LIFE OF CASTING TOOLINGS					
Romi Molding Line	Type of Tooling	Tooling Material			
		Wood	Polyurethane (PU)	Aluminum	Iron
Green Sand V2 and V3	Cope and Drag Pattern/Core Box	Not applicable	Not applicable	40,000	80,000
Mechanized Resin-Bonded Sand No Bake / Z	Cope and Drag Pattern/Core Box	2400	3,120	4,680	7,020
Manual Resin-Bonded Sand Manufacturing Unit 10 (UF-10)	Cope and Drag Pattern/Core Box	300	Not applicable	1,500	3,000
Manual Resin-Bonded Sand Manufacturing Unit 82 (UF-82)	Cope and Drag Pattern/Core Box	300	Not applicable	1,500	2,000

- 11.2 The warranty given by **ROMI** does not cover reimbursement for any damages and/or losses caused to the BUYER by Parts supplied after written notification from ROMI

regarding the unsuitability of the tooling for serial production of parts, including any machining costs and other processes to which the Parts have been subjected before their entry into service.

11.3 In the event of replacement of an unsuitable tooling with a new one, ROMI will begin serial production and supply only after written approval from the BUYER, which must, at its expense, within a period of up to sixty (60) days from notice, proceed with the removal of the unsuitable tooling. Failure to remove the items within the stipulated period will authorize ROMI to dispose of the tooling and write off the Lending from the books, in which event the BUYER shall update the Lending Agreement signed between the Parties, as well as reimburse ROMI for any costs associated with disposal of the items.

## 12. INDUSTRIAL PROPERTY RIGHTS

- 12.1. The BUYER will be solely responsible for any violations of third-party Industrial Property rights related to Parts manufactured according to samples and/or drawings and/or specifications provided by the BUYER.
- 12.2. The BUYER shall prove, whenever requested by **ROMI**, that it holds the industrial property right over the Parts listed in the Purchase Order.
- 12.3. Any judicial or extrajudicial proceeding brought against the BUYER that involves or may involve the Parts manufactured by **ROMI** shall be immediately notified by the BUYER to **ROMI**.
- 12.4. The BUYER will not have any Industrial Property rights over Parts manufactured according to **ROMI**'s samples or drawings, with the latter remaining free to sell such parts to its other customers.

## 13. TERMINATION

- 13.1. **ROMI** will have the right to terminate the Proposal, Purchase Order, or the signed Agreement, without any liability and regardless of judicial or extrajudicial notification, in the following cases:
  - a) if any of the force majeure events considerably modify, from an economic standpoint, the value of the supply and/or
  - b) if economic and financial factors that predominantly influence **ROMI**'s industrial sector make it impossible to perform the Proposal, Purchase Order or Agreement signed between the parties;
  - c) in the event of default by the BUYER;
  - d) in the event of BUYER'S court-supervised reorganization, bankruptcy and/or proven insolvency;
  - e) in the event the BUYER presents insufficient economic or financial conditions to secure performance of its obligations to **ROMI**, unless the BUYER presents sufficient guarantees, in the judgment of **ROMI**, to ensure the fulfillment of its obligations; and
  - f) in the event of no agreement on the index and/or percentage of adjustment, the BUYER shall not have the right to claim any type of compensation, including those relating to losses and damages;
- 13.2. The **BUYER** will have the right to terminate the Purchase Order, or the signed Agreement, without any liability and regardless of judicial or extrajudicial notification, in the following cases:
  - a) Failure by **ROMI** to comply with any section of the Proposal, Purchase Order, or Agreement;
  - b) in the event of **ROMI**'s court-supervised reorganization, bankruptcy and/or proven insolvency;
- 13.3. Termination of the Proposal, Purchase Order, or Agreement, in case of delay in delivery due to proven fault of **ROMI**, may only be requested by the BUYER after prior granting of an additional, reasonable and feasible period for **ROMI** to comply with the delivery in delay.

- 13.4. If the satisfactory performance of the Proposal, Purchase Order, or Agreement becomes impossible for reasons of force majeure or acts of third parties, to which the parties have not contributed by action or omission, the parties will proceed with a settlement of accounts, considering on the one hand, the expenses and costs incurred by **ROMI**, and, on the other hand, the payments already made, and their respective adjustments.
- 13.5. In case one of the parties becomes in default according to the event provided for in item C of section 13.1 and item A of section 13.2, the aggrieved party will notify the other party in writing, so that it redresses the violation within thirty (30) days. After elapse of this period without the party considered in breach having redressed the violation or presented a technical justification for the impossibility to comply within said period, which will be analyzed by the aggrieved party, the Purchase Order, or Agreement may be terminated without prior notice by means of a written notice to the breaching party.

#### **14. TECHNICAL AND SPECIFIC REQUIREMENTS OF THE PARTS**

- 14.1. It is the BUYER's sole responsibility to send **ROMI** the technical, specific and/or special requirements for the purposes of manufacturing the Parts. **ROMI** is not liable for any errors and/or mistakes in this regard, and may claim reimbursement for any losses incurred due to the erroneous manufacturing of the Parts.
- 14.2. Drawings, illustrations, and other documents, including information regarding dimensions, weights and capabilities, shall always be considered as having a purely informative nature, unless they are declared as firm, and specifically composing the Quote.
- 14.3. **ROMI** reserves the right of ownership and authorship of the Proposal, drawings, and other documents delivered at any time, and which may not be disclosed by the BUYER to third parties without express written authorization from **ROMI**. The same reservation applies to documents delivered by the BUYER with the information that it is confidential.

#### **15. TESTS**

- 15.1. ROMI will carry out the tests requested by the BUYER provided that they are previously agreed in the Proposal, Purchase Order, or Agreement, preparing and sending the number of samples necessary to carry out tests and evaluations together with the documents required by the BUYER, as many times as necessary for initial approval of the Parts.
- 15.2. Regarding different tests not agreed upon and resulting in any price increase of the Parts, they will be examined by **ROMI** as to the performance thereof or not, with the BUYER being responsible for bearing the costs.

#### **16. LIMITATION OF LIABILITY**

- 16.1. **ROMI**'s liability is limited to twenty (20%) of the unit sales price of the Part.
- 16.2. It is hereby established by these General Conditions that **ROMI** does not undertake any liabilities relating to:
- a) loss of profits, production losses, incidental, direct or indirect, or consequential damages to the BUYER or its Customers.
  - b) defects arising from drawings, projects, data, technical information, materials and products provided by the BUYER.

#### **17. ABSTENTION**

The abstention from exercising any rights or faculties that **ROMI** may have or the agreement with delays in the performance or default of the BUYER's obligations will not mean novation, nor will affect **ROMI**'s rights and faculties, which may be exercised at any time.

#### **18. COMPLIANCE PROGRAM**

- 18.1. The Customer adheres to the Compliance Program available on the ROMI website and undertakes to comply with it in the relationship between the parties, as applicable, except in the event customer has its own rules that meet the topics addressed in ROMI program.

## 19. MISCELLANEOUS

- 19.1. These General Conditions are binding upon the Parties and their successors on any account and supersede any previous understandings on the subject, and represent the full and integral understanding between the Parties with respect to the purpose provided for therein.
- 19.2. The placement of the Purchase Order by the BUYER and its consequent acceptance by **ROMI** will imply acceptance of all sections and conditions established in these General Conditions.
- 19.3. Amendments to these General Conditions, the Proposal, Purchase Order, or the Agreement will only be valid if executed in writing and with the consent of the parties. Oral agreements entered into after acceptance of the Purchase Order or signature of the Agreement that do not comply with the provisions of these General Conditions will be considered null and void.
- 19.4. In the event any provision of these General Conditions is declared null or unenforceable, it will not affect any other provisions contained herein, which will remain in full force and effect.
- 19.5. **ROMI's** obligations will be considered suspended as long as the BUYER fails to fulfill any remaining obligations, including payment obligations.
- 19.6. The **BUYER** is aware that **ROMI** may access, use, maintain, and process information and data of individuals, exclusively for the specific purposes of this agreement, under the terms of the Privacy Policy available at **ROMI's** website, as well as access the data available in the product, including operation and production data, remotely, regardless of request or notice, to which the **BUYER** hereby states its consent.

## 20. JURISDICTION

The Jurisdiction of Santa Bárbara d'Oeste, State of São Paulo, is elected as the only one competent to settle any doubts, omissions or pending issues arising from these General Conditions, with the waiver of any other, however more privileged it may be or become.