

General Purchase Conditions

1. Scope (purpose) and conclusion of contracts

1.1 These General Purchase Conditions (the "Purchase Conditions") shall apply to goods and services of the Supplier, unless otherwise agreed. Other general standard terms and conditions, in particular standard terms and conditions of the Supplier, shall not apply even if they are not expressly objected to in an individual case or if ordered goods/services have been accepted without reservation.

1.2 For all legal purposes, the provisions composed by these Purchase Conditions and the Purchase Order shall be deemed to be the contractual instrument that shall be binding upon the Parties in their terms and conditions.

1.3 Purchase order(s) and their acceptance ("Purchase Order confirmation") and all agreements between the Customer and the Supplier for the purpose of performing the contract shall only be valid if made in writing. Transmission by fax or email meets the requirements for the written form.

1.4 The Supplier undertakes to accept the Purchase Order by returning the Purchase Order confirmation within a period of two weeks, failing of which the Customer shall be entitled to cancel the purchase order.

2. Delivery, place of performance and the consequences of failure to meet delivery times

2.1 Agreed delivery times shall be binding and are described in the Time Schedule attached to the Purchase Order or in the Purchase Order itself. The Customer shall be notified immediately of any circumstances that prevent the delivery time from being met or that may delay delivery. The moment the goods are received or the service is completed at the Customer's premises or at the place where they are to be delivered/performed as stated in the Purchase Order ("place of performance") shall determine whether the delivery time has been met.

2.2 Partial deliveries shall require prior consent of the Customer.

2.3 In the case of a delay in delivery or completion of services the Customer shall be entitled to demand a non-compensatory fine of 1% of the value of the supplies or services, per full week or fraction of a week by which delivery was delayed, but up to a maximum of 10% of the value of the goods or services of the contract. Other rights (such as termination, cancellation and claims for damages, among others) remain unaffected. The Customer shall retain the right to assert proven higher losses and damages and the Supplier shall retain the right to prove that the losses are significantly lower or no losses at all have been incurred.

2.4 The unconditional acceptance of the delayed delivery of goods or services does not imply that the Customer is waiving any rights that the Customer may have to compensation on account of the delayed delivery of goods or services.

3. Supply of spare parts

The Supplier shall ensure that spare parts for the item supplied will be available for a minimum of ten years after manufacture of the product series has ceased. The resources and drawings required to produce the spare parts shall also be kept for this period. This retention obligation shall lapse after the end of this period and written agreement by the Customer. It is only permitted to refuse this if there is a good reason to do so.

4. Prices and terms of payment

4.1 The price specified in the Purchase Order is binding. The prices are "delivered at place", DDP Incoterms 2010, including packaging. Unless otherwise agreed upon, the Price specified in the Purchase Order is fixed and not subject to any readjustment, and its base date shall be the date of issuance of the Purchase Order. The

Price of the Purchase Order includes any and all supplies and services for perfect fulfillment of the Purpose of the Purchase Order and is the sole remuneration due to Supplier. Thus, Supplier represents that Supplier has taken into consideration any and all circumstances that influence the Price.

4.2 Invoices are to be sent to the address specified in the Purchase Order, according to the applicable legislation, stating the Purchase Order number. If the Purchase Order is incomplete, invoices cannot be paid and will be returned to the Supplier; the Customer shall not be responsible for delays resulting from this. A separate invoice shall be issued for each Purchase Order. The invoice is to be structured in accordance with the Purchase Order. Any invoices for down payments and partial payments as well as final invoices shall be identified as such. If work has been supplied, worksheets (reports) signed by the Customer and the Supplier must be attached to invoices.

4.3 The invoice will be settled net within 60 days after delivery or provision of the service and receipt of the invoice by the Customer.

4.4 Customer may make any and all withholdings on the payments upon which Customer is bound by law or judicial measure, with no need of previous notification. The withholdings made according to this Section may not be subject matter of reimbursement to Supplier, which shall take them into consideration in the formation of its price. Furthermore, for purposes of the Purchase Order, the taxes shall be borne by the taxpayer as defined in tax applicability rule, with no right to reimbursement.

4.5 In any event of default, supply and/or provision of service in disagreement with the Purchase Order, Customer shall withhold the payments due to Supplier up to the occasion on which Supplier regularizes the situation of default, which shall not give rise to any right for delay of payment.

4.6 The Supplier shall not, in any case, discount, negotiate, transfer, or in any other way assign the credits originated from the relevant Purchase Order to banks, factoring companies or third parties, except upon the prior and express authorization of Customer.

5. Acceptance testing and transfer of risk

5.1 A formal acceptance of the goods and/or services by the Customer is required. The Customer may choose whether to make the acceptance at the Supplier's plant or at the place of performance. Unconditional payments shall not constitute acceptance, approval of the items supplied or the waiving of claims for defects.

5.2 Customer and/or the end customer or the respective authorized inspector (Authorized Representative) shall be entitled, at any time, to monitor the inspections/tests of the Purchase Order at the plant of Supplier.

5.3 Supplier shall conduct the tests adopting the methods commonly used and in accordance with the existing regulations. Performance of the tests and issuance of the relevant documents and records shall be responsibilities of the authorized inspector of Supplier, unless there are requirements resulting from a separate plan of tests of Customer, of the technical inspection authority or others.

5.4 The records, certificates of factory inspection and certificates of factory tests for the products tested shall be signed by Supplier and delivered to the Authorized Representative.

5.5 Supplier shall provide to Customer, within up to fifteen (15) days prior to the date of inspection, a list of scheduled inspections/tests to be conducted.

5.6 In the event that defects are verified, the Authorized Representative shall register them in writing, which shall be the base for the re-conduction of the tests and shall be presented to the Authorized Representative of Customer.

5.7 The presence of the Authorized Representative and its notes and/or consent shall not exempt Supplier from its obligations under the Purchase Order. Costs of the factory tests and inspections at the plant of Supplier and/or sub-suppliers of Supplier shall be borne by Supplier.

5.8 Supplier shall be responsible for all costs of any re-conduction of tests that is necessary.

5.9 Supplier agrees to:

i) Provide any and all clarifications or information requested by the inspection team of Customer, guaranteeing access thereto, at any time, at business hours, to the sites at which supplies/services are provided, as well as to the documents related thereto, maintaining confidentiality about industrial processes.

ii) Reply to the complaints, requirements or notes made by the inspection team of Customer, undoing or redoing, as the case may be, at its own expense, the part of the Purchase Order that is in disagreement with the respective projects, specifications and technical rules indicated in the Purchase Order.

5.10 The inspection team of Customer shall have further powers to refuse the Purchase Order or any part thereof that have not been performed according to the Technical Specification, projects and other documents approved by Customer.

5.11 Action or omission of the inspection shall not exempt Supplier from its contractual and legal responsibilities at performing the Purchase Order.

5.12 Failure to satisfy the requirements of the Purchase Order and of the documents attached thereto shall result in partial or total refusal of the Purchase Order, and Supplier agrees to perform, at its expense, any and all changes that may be necessary, without any burdens or expenses to Customer.

5.13 Previous approval of the Purchase Order, or of parts thereof, shall not hinder the Purchase Order from being subsequently rejected, and shall not exempt Supplier from its responsibilities, either as regards the guarantees established or as regards all its other contractual obligations.

5.14 Costs related to failure to conduct an inspection already scheduled and confirmed, for reasons other than reasons for which Customer is responsible, shall be charged from Supplier.

5.15 Supplier shall provide, without any burdens to Customer, all facilities, as well as full assistance for the conduction of the inspections.

5.16 Supplier shall notify Customer, through the site <https://login.voith.com.br>, at least fifteen (15) days in advance, as regards the date of conduction of any tests requested by the Purchase Order, and Customer, or any third party duly authorized by Customer, may witness such tests. Supplier shall provide to Customer the certificates of tests that may be requested therefrom by Customer.

5.17 Any test conducted without the presence of Customer shall not be deemed to be conducted and shall be repeated at the expense of Supplier, unless Customer has been notified within the period of time established above and has failed to attend or has failed to request for its reschedule.

5.18 In the event that the tests are conducted in another country other than Colombia, Customer shall be notified at least thirty (30) days in advance.

5.19 Any change necessary in a call notice already made shall be made at least four (4) business days in advance.

5.20 The entire tests systematic and, in particular, all tests procedures, shall be submitted, with due lead time, for approval by Customer, as the case may be. Such procedures shall describe in detail the performance sequence, conditions and pre-requirements necessary, material and tools necessary and the criteria and amounts of adjustments specified. Data sheets shall be included with the purpose of formalizing the result of the tests, in which those responsible for the tests shall certify the results obtained.

5.21 The procedures shall be analyzed and commented by Customer, if applicable, Supplier shall introduce the changes deemed to be necessary by Customer in due course.

5.22 Supplier shall maintain engineers and/or specialized technicians during the performance of the factory tests for clarifications to the inspection of Customer.

5.23 Subsequently to the approval of the test procedures by Customer, such tests shall be fully conducted by Supplier.

5.24 No assets may be shipped without the due express release from Customer.

5.25 After the delivery of goods / services, and approval by Customer indicating that the Purpose of the Purchase Order is apt for being used by Customer and/or end customer, Customer shall issue the Provisional Acceptance Certificate (PAC) or document equivalent thereto, occasion on which the possession (risk transfer) and ownership shall be transmitted to Customer.

5.26 The Purchase Order shall solely be deemed to be permanently accepted whenever the technical warranty term has expired and there are no outstanding matters, of any type, in relation to the Purchase Order. For purposes of the Purchase Order, the parts of the Purchase Order that have been delivered to Customer shall be received temporarily, and the permanent receipt thereof shall be established according to this Section. Upon permanent receipt of the Purchase Order, Customer shall issue a Final Acceptance Certificate (CAF) or document equivalent thereto.

6. Shipping

6.1 Notification of shipment of the goods shall be given at the latest when the deliveries leave the Suppliers' works.

6.2 The Supplier agrees to specify the Purchase Order number and the Customer's exact delivery address on all shipping documents and delivery notes. Should the Supplier fail to do this, the Supplier shall be responsible for all the resulting delays.

6.3 Shipments for which the Customer is paying all or part of the freight costs shall be transported using the most cost-effective freight rates and in accordance with the Customer's shipping specifications.

6.4 The applicable shipping instructions are specified in the Purchase Order.

6.5 The Supplier shall have the cargo secured by the carrier collecting it in Purchase Order to indemnify for loss or damage in transit.

7. Packaging

7.1 The Supplier undertakes to pack the goods that need to be transported in accordance with the Purchase Order and the applicable specifications so the goods will not be damaged if they are handled in the normal way.

7.2 Irrespective of whether the packaging concerned is transport packaging, retail packaging or an outer protective wrapping, the Supplier agrees to take it back after use without any additional charge and to reuse or recycle it, unless otherwise requested by Customer.

8. Notice of defects

The Customer shall check incoming deliveries for correct quantities, damage in transit and obvious defects, insofar and as soon as this is expedient in the ordinary course of business. Defects will be reported to the Supplier within a period of five working days of discovery. In this regard, the Supplier waives the argument of receiving

delayed notice of defects. The Customer reserves the right to carry out more detailed checks on incoming goods. In any such circumstance, the Supplier will be liable to reimburse and indemnify Customer for any good ordered but not delivered and for any good damaged during transportation.

9. Liability for defects

9.1 The Supplier warrants to the Customer that the ordered goods or services are free of defects and legal imperfections in title at the time of the passage of risk.

9.2 If the Customer informs the Supplier of the intended use and place of use of the goods and /or services to be supplied and/or services to be rendered, the Supplier warrants that its delivery and service are suitable for that use and place.

9.3 Without prejudice to any legal or implicit warranty, the term of warranty of the goods / services shall be twenty-four (24) months from the issuance of the PAC or equivalent document thereto, by Customer, in relation to the totality of goods or services that compose the Purchase Order, with exception of another term provided in the Purchase Order.

9.4 In principle, the Customer shall have the right to select the manner of remedy. If the Supplier does not begin with subsequent remedy as part of the contract, i.e. rectification of defects or delivery of a substitute, as soon as the Supplier has been requested to do so by the Customer, the Customer shall have the right in these cases and also to avert danger or avoid/limit damage, to carry out the manner of remedy selected by the Customer, or to have it carried out by a third party, at the expense of the Supplier. The Customer shall have the same right if rectification of defects and/or delivery of a substitute fails or is refused.

9.5 Should removal and installation costs be incurred during rectification work following a defect, the Supplier shall cover these costs together with the transport costs of the replacement item to and from the site in cases where the Supplier had an obligation to install the delivered item as part of the delivery or if the Supplier was responsible for the defect.

9.6 If claims are asserted against the Customer by a third party due to the infringement of third-party rights in connection with the Supplier's goods/services, the Supplier shall be obligated to indemnify the Customer against these claims at the first written request. The Supplier's obligation to indemnify the Customer shall relate to all expenses necessarily incurred by the Customer from or in connection with the claims asserted against it by a third party.

9.7 If the Supplier meets its obligation to remedy a defect by supplying substitute goods, the period of limitation for said goods shall commence a new after they have been delivered.

9.8 In the event that coincidence of defects is verified in the majority of the equipment/components/materials, resulting from project error or hidden defects, Supplier shall adopt the measures necessary to the re-project and supply of such equipment, components or materials, up to the occasion on which the defect has been resolved, even if subsequently to the Term of Warranty.

10. Software

10.1 The Customer shall receive the right to use software that is part of the scope of delivery, including the documentation for it, with the agreed features and to the extent necessary for ensuring use of the software in compliance with the contract or permitted by law. Before the software is shipped or installed on a system of the Customer or its end customers, the Supplier shall check it for viruses, Trojans and other computer malware using up-to-date, customary antivirus programs and shall eliminate such malware (if any). The additional purchasing conditions for the procurement of software shall also apply. These can be viewed at <http://www.Voith.com>.

10.2 Customer may further transfer such license to use, free from any royalties, to its end customer. Customer may not grant any sublicense to any third parties. Supplier shall be required to provide to Customer the source code upon which the software product is based.

11. Quality assurance

11.1 The Supplier undertakes to continuously monitor the quality of its goods by using a suitable quality assurance system, e.g. DIN EN ISO 9001 ff or a comparable system, and to conduct the quality checks and inspections specified by the Customer or which are otherwise appropriate during and after the manufacture of its goods. The Supplier shall document these inspections and retain this documentation for a period of ten years.

11.2 The Customer or a person engaged by the Customer has the right to demand proof that the delivery items and the quality assurance system of the Supplier are of the quality specified in the contract and also to satisfy themselves at all times that the quality and/or the way in which the checks and inspections are carried out at the plant of the Supplier or the sub-suppliers are adequate and also to undertake acceptances or an audit in the plant of the Supplier or its sub-supplier at the Supplier's expense.

11.3 Without being requested to do so, the Supplier shall immediately in the form set out in Section 1.3 inform the Customer of changes in the composition of the processed material or design of its goods or services. The changes shall require the written consent of the Customer.

11.4 Where the Supplier intends to arrange for goods or services to be provided wholly or mainly by a sub-supplier, the Supplier shall inform the Customer of this beforehand. In this case, the subcontracting requires the written approval of the Customer.

11.5 The quality assurance policy of the Customer disclosed to the Supplier and the quality assurance agreements concluded with the Supplier shall be part of the contract.

12. Marketing products and product liability

12.1 The Supplier undertakes to comply with the legal requirements that apply at its registered office and the place of performance, and to the product/and or service, including but not limited to health and safety requirements. If requested by Customer, the Supplier shall at Customer's discretion either allow Customer to inspect the risk assessment created by it or shall provide it to Customer.

12.2 Supplier is entirely responsible for damages caused to Customer and/or any third party due to product liability. Supplier shall indemnify Customer for all claims for damages made by third parties at the first time of request if the cause of the damage is in the sphere of Supplier's responsibility.

12.3 If the Supplier is responsible for damage outside the supplied goods and claims are asserted against the Customer pursuant to law, the Supplier shall be obliged to indemnify the Customer in this regard against claims for damages by third parties at the first time of request, if the cause of the damage is in the sphere of responsibility of the Supplier and the Supplier itself is liable in relation to third parties.

12.4 As part of its liability under Section 12.2 and 12.3, the Supplier is also obliged to reimburse any expenses incurred by the Customer from or in connection with a warning issued or recall conducted by the Customer. Where possible and reasonable, the Customer shall inform the Supplier of the content and scope of the measures to be performed and coordinate them with the Supplier. Other claims under law shall remain unaffected.

12.5 The Supplier undertakes to take out product liability insurance with minimum cover of 1,000,000.00 euros (or its equivalent in another currency) per claim. The said insurance shall not prejudice the Customer's right to make more extensive claims for damages..

13. Safety at work, environmental protection and conflict minerals

13.1 The Supplier shall ensure that its goods and services satisfy environmental protection, accident prevention and occupational safety regulations that apply at the Customer's site or the other place of performance with which it is familiar as well as with other safety-related rules so that negative effects on people and the environment are avoided or reduced. The Supplier will set up a management system for this purpose, e.g. in accordance with DIN EN ISO 14001 or a comparable system. The Customer has the right, if required, to

demand evidence of the management system operated by the Supplier and to carry out an audit in the Supplier's company.

13.2 The Supplier undertakes to comply with the relevant laws and regulations on the handling and placing on the market of hazardous goods. The Supplier further has to observe the relevant laws and regulations on the disposal of waste and residual materials and make Customer aware of any product treatment, storage and disposal requirements. The Supplier undertakes to comply with the relevant laws and regulations on the handling and placing on the market of hazardous goods.

13.3 The Supplier has an obligation to indemnify the Customer from all liability in relation to the Supplier's non-compliance with the above regulations and/or to compensate the Customer for losses incurred as a result of the Supplier's non-compliance with the regulations or in relation to this.

13.4 Furthermore the Supplier shall observe the relevant rules for the disposal of waste and residual materials and make the Customer aware of any product treatment, storage and disposal requirements.

13.5 Supplier shall be responsible for any and all environmental damages or damages to health caused thereby, agreeing, as a consequence of the provisions of this item, to maintain Customer and its end customer, as the case may be, exempt from any responsibility, including financial responsibility. As a result of this Section, Supplier shall be responsible for all costs resulting from the resolution of such damages, including penalties suffered by Customer or customer as a result of actions or omissions of Supplier.

14. Reservation of ownership, models, tools and confidentiality

14.1 The Supplier's rights to reserve ownership are not recognized.

14.2 Where the Customer provides the Supplier with substances, parts, containers, etc., the Customer shall retain ownership of these. The processing or transformation of these parts shall be on behalf of the Customer. If the reserved goods are processed with other items that do not belong to the Customer, the Customer shall acquire joint ownership of the new object in proportion to the value of the Customer's property in relation to the other processed items at the time of processing.

14.3 Any models and tools which are produced by the Supplier at the Customer's expense shall become the property of the Customer upon payment for them. They shall be treated with care by the Supplier, used exclusively for manufacturing the ordered goods, indicated as property of the Customer and – where possible – stored separately from the other products of the Supplier, as well as insured at the expense of the Supplier against disasters such as fire, water, theft, loss and other damage. The Supplier undertakes to carry out in a timely manner any maintenance and servicing work that may be required on the tools and to perform maintenance and repair work at the Supplier's own cost. Resale of the parts produced using these models and tools shall not be permitted without the express written approval of the Customer.

14.4 Documents, drawings, plans and sketches and other know-how of the Customer, which the Customer entrusts to the Supplier for producing the ordered delivery and/or service in whatever form, shall remain the property of the Customer. They are trade secrets of the Customer and shall be treated confidentially. The Supplier undertakes to treat them with care, to make them available only to employees who need them for fulfilling the contract and who are in turn obligated to maintain confidentiality, not to make them available to third parties, to make copies only for the purpose of executing the order, and to return all documents, including copies of them, to the Customer upon completion of the goods/services or, if requested by the Customer, to destroy them.

14.5 The Supplier shall indemnify and hold harmless Customer for and from all damages, claims, whatsoever nature, resulting of failure of the above mentioned conditions.

14.6 The Supplier hereby states that the goods and/or services object of the Purchase Order are not under any judicial or extrajudicial debt regarding invention patents, brands, drawings or utility models, obliging to defend Customer and its successors against all and any

judicial suit resulting, directly or indirectly, from the alleged infringement of third parties rights over such goods or products and indemnify it for any losses which may be caused as a consequence of third parties claims.

15. Data protection

The Customer is entitled to collect, store, use and transfer the Supplier's personal data, providing this is required for performing the legal transaction or consent has been obtained from the persons concerned. Persons concerned have the right to obtain information on the personal data stored about them and the purpose for which it is being processed and used. Any requests for information or the enforcement of further rights on the part of those concerned must always be submitted to the Customer and are provided within the framework of national legislation.

16. Origin of goods and export controls

16.1 If requested to do so by the Customer, the Supplier must submit a certificate of origin, which corresponds to the legal requirements applicable at the date of its issuance. The Supplier must provide the Customer with it free of charge.

16.2 The Supplier must inform the Customer of any approvals required on the (re-)export of its goods or information under applicable export or customs regulations.

For this purpose the Supplier will, insofar as this was not already provided in its offer, supply to the Customer the following information next to the relevant item references when a Purchase Order is accepted and on every invoice:

- The commodity code;
- The AL number of the EC Dual-Use-Regulation in its valid version or control classification numbers on basis of the national regulations;
- The ECCN (Export Control Classification Number) in accordance with US export law;
- Available Authorization (license exceptions).

16.3 At the request of the Customer, the Supplier shall be obliged to inform the Customer in writing of all further foreign trade data related to the goods and its components, as well as inform the Customer immediately in writing of all changes to the data specified in Sections 16.1 and 16.2.

16.4 If details in accordance with the previous sections are not provided or are provided incorrectly, the Customer shall, without prejudice to further rights be authorized to rescind the contract.

17. Suspension, Cancellation and termination rights

17.1 Customer shall be entitled to suspend, at any time, in whole or in part, the performance of the respective Purchase Order, by means of written notice to Supplier, if the goods and/or services are in disagreement with these Purchase Conditions or the respective Purchase Order, if the customer of Customer has suspended the agreement with Customer or, further, for any other justified reason.

17.2 In case of suspension due to the Supplier's default, Customer shall stipulate a deadline to have the breached obligations resolved by the Supplier without prejudice to any other rights and remedies provided herein or by applicable law.

17.3 Upon receipt of such suspension notice, Supplier shall promptly interrupt performance of the Purchase Order, as is, and shall cease any work related to the Purchase Order. During such period, Supplier shall carefully maintain the materials, supplies and equipment that Supplier has in progress.

17.4 Customer may remove, in whole or in part, the suspension of performance of the Purchase Order by written notification to Supplier, specifying the actual date and the scope of removal. Upon receipt of such notification, Supplier shall resume works related to the Purchase Order that have been suspended, with the necessary care and on the date notified.

17.5 The respective Purchase Order may be terminated in whole

or in part, with no responsibility of any nature to Customer in relation to Supplier, regardless of judicial or extrajudicial notification, and without prejudice to the right of Customer to recover possible damages suffered, by action or omission of Supplier, subsequently to the occurrence of any of the following events:

- a) In the event of reasons of force majeure, which delay performance of the Purchase Order for a period of time exceeding ninety (90) days;
- b) If the delivery of goods and/or services is not made in accordance with the specifications and Sections of the respective Purchase Order, or in any event that Supplier incurs any event of contractual termination provided in law;
- c) In case of bankruptcy and/or insolvency of Supplier;
- d) In the event that Supplier infringes any of the sections of these Purchase Conditions or of the respective Purchase Order;
- e) Any infringement to the anticorruption Law or regulations, as well as noncompliance with any provision of the Code of Conduct of Customer;
- f) If the Supplier's financial circumstances have deteriorated significantly or there is a risk that this will occur and as a result the obligation to supply goods and services is put at risk;
- g) If the Customer suspends payments;
- h) If the Supplier comes under the controlling influence of a competitor of Customer.

17.6 In the event of suspension of the Purchase Order for a period of time exceeding thirty (30) days, the Parties shall agree upon the continuity hereof.

17.7 Customer may further, at any time, terminate the Purchase Order, and such act shall not result in any burdens, provided that Customer communicates Supplier in writing at least thirty (30) days in advance.

17.8 In the event that Supplier, on the occasion of receipt of the communication, has not yet commenced performance of the Purchase Order, Customer may, at its exclusive discretion, request that Supplier abstain from commencing its performance, and as a result thereof, no amounts shall be due to Supplier subsequently to the date of receipt of the communication sent by Customer.

17.9 In any event of termination of the Purchase Order, Customer may immediately transfer the conclusion of the Purchase Order to whoever is deemed to be convenient thereby, at its exclusive discretion, with no need to any previous enquire to Supplier.

17.10 In any event of termination of the Purchase Order, Customer shall take possession of the part of the Purchase Order that, at its discretion, Customer intends to withhold. Anyway, Customer shall indemnify Supplier for the termination of the Purchase Order pursuant to item 17.11, and assets that Customer opts for not receiving and that may be used by Supplier shall not be indemnified.

17.11 With due regard for the provisions of item 17.8, in any event of termination and provided that Supplier is up to date with its contractual obligations, Customer shall compensate Supplier for the reasonable costs evidently incurred up until then at performing the Purchase Order, and which would represent an unrecoverable loss for Supplier, Supplier being subject to adopting all measures that are necessary to minimize its losses, and providing to Customer reasonable evidences of such costs. The compensation, in any event, shall not exceed the Price of the Purchase Order, deducting the amounts that have already been paid by Customer to Supplier.

18. Corporate responsibility, code of conduct and minimum wage

18.1 The Supplier declares its commitment within the scope of its corporate responsibility to ensuring that it complies with legal provisions, including environmental protection laws, regulations relating to labor law and legislation on the maintenance of employees' health, and does not tolerate child or forced labor in or in relation to the production and sale of its goods or the provision of its services. Upon accepting the Purchase Order, the Supplier further confirms that it shall not commit or tolerate any form of bribery and corruption. In this context the Customer draws the Supplier's attention to the "VOITH Code of Conduct" that can be consulted at <http://www.Voith.com>. The Customer expects the Supplier to agree

to comply with the rules and principles contained therein and provide assistance to ensure that these are observed.

18.2 More especially the Supplier undertakes to comply with the laws that apply in each case in respect of the general minimum wage and to impose this obligation to the same extent of its sub-suppliers. The Supplier shall furnish proof that the above assurance has been complied with, if requested to do so by the Customer. If the above assurance is not adhered to, the Supplier shall indemnify the Customer against claims by third parties and undertakes to reimburse fines imposed on the Customer in connection with this.

18.3 The Purchase Order that fails to comply with all requirements established in this Section shall be deemed to be defected and any infringement to this Section shall be deemed to be a serious default.

18.4 Supplier shall indemnify and exempt Customer, its affiliates, executive officers, employees or representatives from any responsibility in relation to all responsibilities, claims, expenses, losses or damages resulting from or related to the infringement, by Supplier, to its obligations and/or guarantees provided in this Section.

19. Relationship and Non Exclusivity

19.1 Nothing in these Purchase Conditions shall be construed to place the parties in the relationship of partners, joint ventures and the parties shall have no power to obligate or bind the other in any manner whatsoever.

19.2 Nothing in these Purchase Conditions can be interpreted or construed as Customer granting any type of exclusivity to Supplier with respect to the manufacturing or sale of the products or services object hereof.

19.3 The aggregate of the purchase volume between the Supplier and Customer shall not exceed 50% (fifty percent) of the total turnover of the Supplier with all its customers during one calendar year. In case the purchase volume between the Supplier and Customer exceeds this percentage, Voith shall immediately be notified in writing from the Supplier. After receipt of such notice, Customer will decide upon the necessary measures including of reduction of the actual purchase volume without further costs or damages due to the Supplier.

20. Act of God and Force majeure

20.1 All events occurred throughout the performance of the Purchase Order the effects of which may not be anticipated, avoided or hindered and provided that they have not been caused by error, serious fault or misconduct of any of the Parties, their employees, sub-contractors or suppliers and that necessarily interfere, in whole or in part, in the Purchase Order, shall be characterized as act of God and/or of force majeure ("Act of God or Force Majeure"), and shall constitute causes of exclusion of responsibility.

20.1.1 Such events include, but are not limited to, shipwrecks; earthquakes; typhoons; hurricanes; epidemics; acts from public enemy that interfere directly in the Purchase Order; wars; terrorist acts; regional or national strikes of the categories employed for compliance with the Purchase Order, not caused by fault or default of the Parties or of their subcontractors or, further, local strikes, provided that evidently caused by union, regional or national movements; and acts of disturbance or wrongful possession of the site at which the Purchase Order is performed, by union movements and/or organized movements.

20.1.2 For purposes of the Purchase Order, serious fault shall be characterized whenever Supplier, even though with no intention to give rise to the damage, evidently acts, at performing the Purchase Order, without the minimally expected care, in situations in which the risk of damages is readily predictable by a common individual, and fails to adopt the measures necessary to minimize possible losses resulting from such conduct.

20.2 The Party affected by an Act of God or Force Majeure shall be exempt from compliance with its obligations provided in the Purchase Order, exclusively in relation to the part affected by the event of Act of God or Force Majeure, to the extent and during the period in which such obligations are affected by the Act of God or Force Majeure, provided that:

(i) the Act of God or Force majeure has occurred and remained beyond control of the affected Party;

(ii) the affected Party has not cooperated for the occurrence of the Act of God or Force Majeure; and

(iii) the actions of the affected Party, provided that diligently and timely, have not been sufficient to hinder or minimize the effects of the occurrence of the Act of God or Force Majeure.

20.3 Notwithstanding the occurrence of the Act of God or Force Majeure, the Parties shall comply with their obligations provided in the Purchase Order to the extent in which compliance with such obligations is not hindered by the Act of God or Force Majeure.

20.3.1 No Act of God or Force Majeure shall exempt the affected Party from compliance with any of its obligations pending compliance prior to the occurrence of such event or that have been constituted prior hereto.

20.3.2 The Party that has a default that has not been resolved on the occasion on which an Act of God or Force Majeure occurs may not have its obligations excused.

20.3.3 The Parties agree that the occurrence of the events provided below, among others, shall not be characterized as Act of God or Force Majeure:

(i) delays caused by evidenced inefficiency of Supplier;

(ii) delay and/or failure of subcontractor at the performance of the Purchase Order;

(iii) strike of the personnel, directly or indirectly related to Supplier and to the performance of this Purchase Order;

(iv) financial crisis in the local or international market that results in exchange variations and/or variation of prices of inputs, materials and workforce;

(v) financial problems of the Party that claims event of Act of God or of Force Majeure;

(vi) suspension or lack of transportation, unless resulting from evidenced Event of Act of God or Force Majeure; and

(vii) amendments to the legislation.

20.4 In the occurrence of Act of God or Force Majeure, the interested Party shall send a written Notification to the other Party within up to five (5) business days subsequently to the acknowledgement of the event. Such Notification shall include the estimate of Reasonable Term, which shall not exceed thirty (30) days, for delivery of report informing the event and attaching all documents necessary to characterize the Act of God or Force Majeure, the circumstances involving the obligations the fulfillment of which shall be delayed, describing the event, its consequences and, if possible, the delay duration estimate.

20.5 Failure to send the Notification within the period of time established shall be valid as evidence that the event has not interfered in the progress of the Purchase Order and, therefore, may not be characterized as Act of God or Force Majeure, within the scope of the Purchase Order.

20.6 In the event that the Party notified disagrees with the existence of the Act of God or Force Majeure or, further, disagrees with the fact that the event is capable of interrupting and/or suspending performance of the Purchase Order, such Party shall, within ten (10) business days from the receipt of the Notification, forward to the interested Party justified opinion or report that justifies its understanding.

20.7 Failure, by the notified Party, to provide any statement under the terms of the previous item within the period of time established, shall presume its tacit acceptance of the event occurred.

21. Insurances and Financial Guarantees

21.1 With exception of the Insurances expressly provided in law, in the event that it is necessary to take out additional Insurances, the

contracting conditions, as well as the list of insurances necessary, shall be provided in the Purchase Order.

21.2 In the event that it is necessary to contract Financial Guarantees, the contracting conditions, as well as the list of Guarantees necessary, shall be provided in the Purchase Order.

22. Obligations and Responsibilities of Supplier

Without prejudice to the other obligations already provided in these Purchase Conditions, Supplier agrees to:

22.1 Present, whenever requested by Customer, the documentation related to the evidence of compliance with its labor, tax, social security obligations, among others.

22.2 Supplier shall, at all times, protect Customer from (i) Any losses or damages and all actions and expenses related thereto, caused by acts or omissions of Supplier, its subcontractors, and of the personnel employed for the performance of the Purchase Order, its executive officers, administrators, suppliers and assigns; (ii) Liability for death or personal injuries and all actions and expenses related thereto, caused by acts or omissions of Supplier, and of the personnel employed for the performance of the Purchase Order, its executive officers, administrators, subcontractors, suppliers and assigns.

22.3 For any and all legal effects, it is hereby expressly established that the personnel of Supplier employed for the performance of the Purchase Order are employees of Supplier and that, therefore, there are no types of employment relations between such personnel and Customer, which shall be exempt from any and all burdens resulting from the judicial acknowledgement of such relation. As a result of the provisions hereof, the Parties agree that Supplier is solely and exclusively responsible for any obligations, of any nature, before its personnel.

22.4 Persons who work on Customer's premises or on the premises of companies associated with Customer to perform the contract must observe the terms of the respective work rules. Liability for accidents that befall these persons on works premises shall be excluded, unless they have been caused by deliberate or grossly negligent infringement of obligations on the part of Customer's statutory representatives or their vicarious agents.

23. General provisions

23.1 The use of inquiries, Purchase Orders and the associated correspondence for advertising purposes is not permitted. The Supplier shall only be allowed to use the business relationship with the Customer or use the Customer as a reference with the prior written permission of the Customer.

23.2 The assignment of any Purchase Order, contract or right or obligation under these Purchase Conditions without the express prior written approval of Customer shall be null and void. Customer, however, shall be entitled to assign its rights and remedies out of the relevant Purchase Order to any of its affiliated companies.

23.3 Unless otherwise expressly provided in the Purchase Order, these Purchase Conditions are subject to the Brazilian Laws, even if Supplier is domiciled abroad. The United Nations Convention on the International Sale of Goods (CISG) being excluded.

23.4 The Parties hereby elect the courts of the State of São Paulo, city of São Paulo, Brazil, as exclusively competent to resolve all issues related to this instrument, and in relation to all Orders issued by Voith, with express exclusion of any other court, no matter how privileged it may be.

23.5 In the event that any individual provision of these Purchase Conditions is invalid or is declared invalid, in whole or in part, such invalidness shall not affect the other provisions. Nevertheless, the Parties shall rewrite such provision, to rescue the original intention of the Parties.

23.6 For any noncompliance with the Purchase Order that has no other penalty specified, Supplier shall pay point five percent (0.5%) of the Price of the Purchase Order, per day of default, without prejudice to possible losses and damages.

23.7 None of the Parties shall be required to comply with any change in the Purchase Order up to the occasion on which such change has been confirmed by means of Amendment or document equivalent thereto signed by both Parties.

23.8 In no event shall Customer be held responsible for indirect and consequential damages, such as, but not limited to, loss of profits, production losses, financial losses, sales losses. Furthermore, full responsibility of Customer in relation to the Purchase Order is limited to ten percent (10%) of its Price.