GENERAL PURCHASING CONDITIONS - ATLAS SCHINDLER ELEVATORS

FORMATION OF THE COMMERCIAL AGREEMENT AND THE ITS RESPECTIVE CONTENT

The COMMERCIAL AGREEMENT will be formed by the following documents: (i) Purchase Order; and (ii) These GENERAL PURCHASE CONDITIONS.

1.1 In case of conflict between the documents forming the COMMERCIAL AGREEMENT, the prevalence will be in the order in which they are listed in item 1.1, above.

2. PURPOSE OF THE COMMERCIAL AGREEMENT

2.1 The object of the COMMERCIAL AGREEMENT (PURPOSE) is the supply of the goods and/or services designated and specified in this PC (Purchase Order).

2.2 ATLAS SCHINDLER may terminate this COMMERCIAL AGREEMENT and/or claim compensation, in the event that the SUPPLIER introduces changes to the PURPOSE without ATLAS SCHINDLER’s prior written consent. ATLAS SCHINDLER may choose to return the OBJECT, and the SUPPLIER will be liable for any damages suffered as a result of the return.

3. TERM AND VALIDITY

3.1 The deadlines for the execution of the OBJECT must be those specified in this PC (Purchase Order) and must be strictly observed.

3.1.1 Delivery time is essential. The SUPPLIER shall be automatically considered in default if it fails to deliver on the initially agreed delivery date, being liable to bear the penalties provided for in this TRADE AGREEMENT.

3.2 The COMMERCIAL AGREEMENT will be in force from the date of issuance of the PC order (Purchase Order) until the full fulfillment of all obligations by the Parties.

3.3 The payment will be conditioned to the verification of the equipment/service adequacy to the Technical Specifications.

4. PRICE AND PAYMENT METHOD

4.1 For the full and perfect execution of the PURPOSE, ATLAS SCHINDLER will pay the SUPPLIER the amount established in this PC (Purchase Order) negotiated between the parties.

4.2 The prices negotiated in this PC (Purchase Order) include, but are not limited to, all taxes, charges, fees and/or legal contributions of any nature, without limitation, levied directly or indirectly, on the OBJECT, in the form and conditions stipulated by the legislation in force on the date of execution of the COMMERCIAL AGREEMENT, in addition to profit, cost of transport, meal, accommodation, insurance.

4.3 All Invoices must be issued in the name and to the address of ATLAS SCHINDLER. The Invoices must contain the number of this PC (Purchase Order) and the NCM (Common Mercosur Nomenclature) number informed in the PC (Tax Classification).

4.4 The SUPPLIER expressly waives the provisions of article 20 of Law No. 5,474/68. Therefore, the extraction of a duplicate of the invoice issued due to the COMMERCIAL AGREEMENT is prohibited. In addition, the SUPPLIER may not, under any circumstances, carry out a discount operation, negotiate, transfer or in any way assign the credits arising from the execution of this COMMERCIAL AGREEMENT to banks, investment funds, factoring companies or third parties, without the previous and express written consent of ATLAS SCHINDLER.

4.5 In any case of default arising from this Instrument, ATLAS SCHINDLER will withhold payments due to the SUPPLIER until the latter settles the situation of default, without this generating any right for late payment.

5. TECHNICAL WARRANTIES

5.1 Without prejudice to any legal or implied warranty, the warranty period for the OBJECT will be at least 12 (twelve) months, counted from the receipt and approval, by ATLAS SCHINDLER, of all the goods/services that comprise it.

5.2 During the warranty period, stipulated in the item above, the SUPPLIER shall, after a request made in writing by ATLAS SCHINDLER, promptly replace, remake or repair, without charge to ATLAS SCHINDLER, any portion of the OBJECT that is in disagreement with the COMMERCIAL AGREEMENT.

5.3 The warranty comprises the correction, recovery or replacement, at the discretion of ATLAS SCHINDLER, and at the expense of the SUPPLIER, including the transport from the place where the OBJECT was delivered to the SUPPLIER’s facilities and their respective return to the place, of any component or equipment that presents divergence of characteristics or any design errors and manufacturing defects. This clause is also applicable to services performed unsatisfactorily by the SUPPLIER, as understood by the ATLAS SCHINDLER.

6. ENVIRONMENT, HEALTH AND SAFETY

6.1 The PURPOSE will be executed in strict compliance with all environmental, health and safety requirements applicable to it, as well as with the environmental, health and safety provisions of ATLAS SCHINDLER, which the SUPPLIER declares to be aware of.

6.2 The SUPPLIER is responsible for any and all environmental or health damage that it causes, and as a result of the provisions of this item, keep ATLAS SCHINDLER and its CUSTOMER (when applicable) exempt from any liability, including financial, bearing all costs arising from the remediation of such damages.
including penalties suffered by ATLAS SCHINDLER or CUSTOMER due to the actions or omissions of the SUPPLIER.

7. OBLIGATIONS AND RESPONSIBILITIES OF PARTIES

7.1 The SUPPLIER undertakes to:

7.1.1 Provide the OBJECT in full compliance with the provisions of this Instrument, in compliance with the information provided by ATLAS SCHINDLER.

7.1.2 Guarantee ATLAS SCHINDLER the replacement of the OBJECT that is defective or does not meet ATLAS SCHINDLER's quality criteria. The SUPPLIER acknowledges and agrees that eventual defects, malfunctions and unsatisfactory services can only be identified by ATLAS SCHINDLER during inspection, use in its Industrial Unit or during the day to day.

7.1.3 Comply with all labor, social security, land, insurance and tax obligations, as determined by current legislation, with regard to employees directly and indirectly linked to the execution of the OBJECT.

7.1.4 Provide its employees with all personal protective equipment, if necessary for the execution of the OBJECT, according to its nature, strictly inspecting their use, in order to provide basic safety conditions at the place of execution of the OBJECT, under penalty of application fine of 5% (five percent) on the total value of the PC. All these personal protective equipment must be noted on the “Personal Protective Equipment (EPI) Control Sheet.

7.1.5 In the event that ATLAS SCHINDLER is eventually sued for payment of any compensation for an accident at work, labor claims, or actions of any other nature, based on what has been agreed herein, and in the event of any conviction in such payments, the SUPPLIER obliged to immediately reimburse such amounts to ATLAS SCHINDLER, plus procedural expenses and legal fees. The SUPPLIER shall also request the exclusion of ATLAS SCHINDLER and/or the CLIENT from the liability side of any actions.

7.1.6 If the ATLAS SCHINDLER and/or CUSTOMER’s exclusion request is not accepted by the Judiciary, the SUPPLIER undertakes to indemnify ATLAS SCHINDLER and/or the CUSTOMER for any amount imposed on it by virtue of any subsidiary or joint conviction, issued by the Judiciary or by the competent administrative bodies, with regard to the breach of labor, social security, tax and land (FGTS) obligations with the employees of the PROVIDER.

7.1.7 Be liable for all damages caused to ATLAS SCHINDLER, third parties or the environment resulting from defects, failure to perform the supply or low quality of the OBJECT, culpable or willful conduct by you or your employees and/or agents or when there is a violation of regulatory rules for the activity/product.

7.1.8 The SUPPLIER declares to know and undertakes to respect the safety and occupational medicine rules and the safety and prevention of work accidents rules, causing its employees to undergo periodic medical examinations and use individual protection equipment. The SUPPLIER declares that it is aware of ATLAS SCHINDLER’s work safety standards, and undertakes to strictly comply with them, especially when there are employees or agents of the SUPPLIER on the premises of ATLAS SCHINDLER and/or the CUSTOMER, being aware that, in the event of incidents or accidents caused by the SUPPLIER’s employees on the premises of ATLAS SCHINDLER and/or the CUSTOMER due to non-compliance with safety standards, the SUPPLIER may apply the disciplinary notices it deems relevant.

7.1.9 In addition to complying with the other provisions of this COMMERCIAL AGREEMENT and the applicable rules, the SUPPLIER is obliged to:

a) Do not use and do not allow subcontractors or suppliers to use the work of children and adolescents, except when in the condition of minor apprentice, as provided for in the legislation in force;

b) Do not use or allow subcontractors or suppliers to expose workers, especially, but not exclusively, children and adolescents to harmful locations à their training, their physical, psychological, moral and social development, or dangerous or unhealthy places, or at times that hinder their attendance at school;

c) Do not use and do not allow subcontractors or suppliers to use slave or slave-like labor;

d) Not adopt and not allow subcontractors or suppliers to adopt any discriminatory practices or that limit access to employment and work, especially, but not exclusively, on grounds of sex, color, race, origin, religion, physical condition, age, marital status , family situation or pregnancy; and

e) Protect and preserve the environment, as well as require subcontractors or suppliers to do so.

7.2 ATLAS SCHINDLER undertakes to:

7.2.1 Pay the PRICE, in accordance with the terms and conditions negotiated in this PC (Purchase Order).

7.2.2 Communicate to the SUPPLIER, in writing and in a timely manner, any instructions or changes to be adopted on matters related to this AGREEMENT COMMERCIAL.
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7.2.3 Designate, whenever possible, an authorized representative to monitor the execution of the PURPOSE and resolve possible doubts.

7.2.4 ATLAS SCHINDLER undertakes to inform the SUPPLIER of any malfunction, defect, unsatisfactory service or problem verified in the execution of the OBJECT, immediately after the verification, so that the necessary investigations are carried out to identify its origin and cause, as well as to define if whether or not there will be an obligation of reimbursement by the SUPPLIER, under the terms of this TRADE AGREEMENT.

8. INTELLECTUAL PROPERTY

8.1 The SUPPLIER confirms that the ATLAS SCHINDLER Intellectual Property Rights are solely and exclusively owned by the Schindler Group and agrees to make use of the ATLAS SCHINDLER Intellectual Property Rights only for the exclusive purpose of executing the PURPOSE in accordance with the terms and conditions conditions of this COMMERCIAL AGREEMENT and not to use or appropriate them for their own benefit or for any other purpose.

8.2 The SUPPLIER undertakes to indemnify, defend and hold ATLAS SCHINDLER harmless against any and all claims, actions, damages, liability, arising from the violation of any copyright, patent or any industrial or intellectual property right of third parties, which may be being misused in this COMMERCIAL AGREEMENT.

9. ATLAS SCHINDLER GOODS

9.1 All materials, tools, parts, equipment, components, samples, graphics, specifications and other information provided by ATLAS SCHINDLER to SUPPLIER in connection with the BUSINESS AGREEMENT shall remain the property of ATLAS SCHINDLER at all times and shall be used by SUPPLIER solely for the performance of the AGREEMENT COMMERCIAL.

9.1.1 The SUPPLIER shall ensure anti-corruption, as well as non-compliance with any use and protect all materials, tools, parts, equipment, samples, and the confidentiality of documents and information, and must return them to ATLAS SCHINDLER when required.

10. SUBCONTRACTING

10.1 The subcontracting of the OBJECT is subject to the prior and express approval of ATLAS SCHINDLER, including in cases of replacement of subcontractors. In case the SUPPLIER subcontracts a portion of the OBJECT, the SUPPLIER is responsible for its guarantee and compliance, as if it had contracted them. The SUPPLIER is responsible to ATLAS SCHINDLER for the performance of its SUBCONTRACTORS.

11. SECRECY AND PROTECTION OF PERSONAL DATA

11.1 The SUPPLIER, through its partners, employees, representatives and subcontractors, or directly or indirectly related by itself, undertakes to maintain in absolute secrecy and treat as a trade secret or industry secret any technical, commercial, organizational information, knowledge, records and documents in all their forms, which are of interest to ATLAS SCHINDLER and any related company, as well as its customers and business partners, which, in connection with the COMMERCIAL AGREEMENT, may become known to the SUPPLIER and/or persons appointed by it, and in which the interests of confidentiality cannot be excluded.

11.2 The obligations mentioned herein continue to exist for a period of 05 (five) years after the end of the legal relationship maintained between ATLAS SCHINDLER and the SUPPLIER.

12. TERMINATION

12.1 The PARTIES may fully or partially terminate the COMMERCIAL AGREEMENT, regardless of judicial or extrajudicial interpellation or notification, without prejudice to any other rights in cases of:

12.1.1 Declaration of Bankruptcy, Judicial or Extrajudicial Liquidation, Judicial or Extrajudicial Reorganization, Dissolution and Assignment of activities in relation to any of the PARTIES;

12.1.2 Act of God or Force Majeure that delays the execution of the COMMERCIAL AGREEMENT for more than 60 (sixty) days;

12.1.3 Default by the PARTY in the fulfillment of its obligations under this Instrument, provided that it is not regularized within 10 (ten) days of its notification to the other PARTY;

12.1.4 Practice of acts that discredit ATLAS SCHINDLER or the PROVIDER.

12.1.5 Any violation of the Law or regulations provision in the Schindler Code of Conduct – Suppliers to ATLAS SCHINDLER.

12.2 This COMMERCIAL AGREEMENT may be terminated at any time, by either PARTY, upon prior written notice, at least 30 (thirty) days in advance, regardless of any liens, fines or indemnities, for whatever reason, only the charges foreseen in the period.

13. FINES

The SUPPLIER will pay the following penalties:

Delay in Delivery of the OBJECT

13.1 In the event of delay in delivery of the OBJECT, caused by the exclusive and proven fault of the
SUPPLIER shall pay ATLAS SCHINDLER a FINE in the amount of 0.5% of the PRICE per day of delay, on the total value of this PC (Purchase Order), limited to 15% (fifteen percent) of the PRICE.

13.2 For the purpose of applying a FINE, equipment supplied in disagreement with the provisions of the COMMERCIAL AGREEMENT will be considered as not delivered.

Performance in disagreement with the COMMERCIAL AGREEMENT

13.3 For performance in disagreement with the COMMERCIAL AGREEMENT, the SUPPLIER shall pay a fine equivalent to 10% (ten percent) of the PRICE of this PC (Purchase Order).

Non-compliance with the obligation of confidentiality

13.4 For breach of the duty of confidentiality, the SUPPLIER shall pay a fine equivalent to 30% (thirty percent) of the PRICE of this PC (Purchase Order), in addition to repairing the losses and damages suffered by ATLAS SCHINDLER.

Termination with reason

13.5 By reasoned termination, the SUPPLIER shall pay a fine equivalent to 10% (ten percent) of the PRICE of this PC (Purchase Order).

Too many penalties

13.7 For any contractual breach that does not have another penalty specified in this instrument, the SUPPLIER shall pay 1% (one percent) of the PRICE of this PC (Purchase Order), per day of default.

14. ETHICS AND COMPLIANCE

14.1 The SUPPLIER agrees to comply with all applicable Brazilian laws, as well as all applicable national and international legislation in relation to anti-corruption, money laundering, antitrust, among others, without limitation, as well as the Schindler Code of Conduct - Suppliers, already provided and signed by the SUPPLIER.

14.2 The SUPPLIER declares that it will not make any payment, to anyone, on behalf of ATLAS SCHINDLER, or its representatives, without prior and express consent of the latter and hereby undertakes for itself, its partners/shareholders, officers, directors, employees or any agents, not to offer, give, authorize, promise and/or receive, directly or indirectly, anything of value, including, but not limited to, money, information, gifts, among others, whose purpose is to obtaining any undue advantages, to employees of ATLAS SCHINDLER, partners/shareholders, officers or directors, or to public servants, government representatives, political parties and/or candidates for public office.

14.3 All requests for payments under this COMMERCIAL AGREEMENT must be accompanied by detailed and accurate invoices describing the specifications of the work, services or equipment for which payments were requested.

14.4 If the SUPPLIER becomes aware of any violation of the aforementioned items, it shall promptly inform ATLAS SCHINDLER of said violations.

14.5 Any breach of the provisions of this BUSINESS AGREEMENT shall be considered sufficient reason for ATLAS SCHINDLER to declare that the BUSINESS AGREEMENT, in whole or in part, is null and void, in which case the SUPPLIER will waive any request for additional payments that may be due in connection with this COMMERCIAL AGREEMENT, except payments for services previously provided, being responsible for losses and damages in accordance with applicable law.

15. LIMITS OF LIABILITY

15.1 ATLAS SCHINDLER will never be held liable for indirect and consequential damages, such as, but not limited to, lost profits, production losses, financial losses, sales losses. Furthermore, ATLAS SCHINDLER’s total liability under the COMMERCIAL AGREEMENT is limited to 10% (ten percent) of its PRICE.

16. FINAL STATEMENTS

16.1 The SUPPLIER declares that it has all permits, licenses and authorizations to provide the services and/or manufacture and market the OBJECT.

16.2 The SUPPLIER declares that all its activities and processes are fully in compliance with the laws, regulations and rules applicable to the SUPPLIER, its Affiliates, its businesses and products, whether national or international.

16.3 The SUPPLIER declares that it has not made any investment of considerable value by virtue of this COMMERCIAL AGREEMENT. It is hereby established that ATLAS SCHINDLER has no liability for debts and obligations contracted by the SUPPLIER, whether or not related to this COMMERCIAL AGREEMENT, and ATLAS SCHINDLER may not use this COMMERCIAL AGREEMENT or any other justification to claim any indemnities or reimbursements.

16.4 The SUPPLIER declares and guarantees that it strictly complies with all legal obligations related to the Environment, such as the Environmental Crimes Law (CONAMA), all Federal, State or Municipal legal provisions and regulations (NBR, ISO, etc.);

16.5 The SUPPLIER, in accordance with the values of ATLAS SCHINDLER, undertakes to respect diversity, abstaining from all forms of prejudice and
discrimination, so that no employee or potential employee receives discriminatory treatment on the basis of their race, skin color, ethnic origin, nationality, social position, age, religion, gender, sexual orientation, personal aesthetics, physical, mental or psychological condition, marital status, opinion, political conviction, or any other differentiating factor.

16.6 The SUPPLIER will have a maximum period of 03 (three) business days to express its disagreement with the terms of this PC (Purchase Order), and its silence will imply its consent, pursuant to art. 111 of the Civil Code.

16.7 As well as ownership, ownership of the OBJECT, or any part thereof, shall pass to ATLAS SCHINDLER upon delivery of the good.

16.8 The risks relating to the goods or part of them will be transferred to ATLAS SCHINDLER upon their physical delivery.

16.9 All material requests must be fulfilled according to budgets and conditions agreed with the ATLAS SCHINDLER purchasing team and any changes must be immediately reported to the ATLAS SCHINDLER buyer.

16.10 The buyer of ATLAS SCHINDLER must be informed immediately, in the case of merchandise of foreign origin, without any type of improvement or alteration in the product, attending only the operations of ATLAS SCHINDLER, so that it is not possible to sell it to other companies (operation indirect).

17. DISPUTE RESOLUTION

17.1 The PARTIES elect the Forum of the Capital of the State of São Paulo to resolve any doubts related to this COMMERCIAL AGREEMENT, excluding any other, however privileged it may be.