

GENERAL TERMS AND CONDITIONS OF SALE OF TOOLS, CONSUMABLES AND SPARE PARTS

1. DEFINITIONS

Except where the context requires otherwise, the following definitions shall apply to the Contract:

- **“Business Day”** means a day (other than a Saturday or Sunday) when banks are open for business in Brazil;
- **“Purchaser”** means any person or entity who is interested in the purchase of the Products from MEI;
- **“Contract”** means the agreement formed by the Order Confirmation and this General Terms and Conditions entered into force by and between MEI and the Purchaser according to Article 3 of this General Terms and Conditions which shall regulate the Contract formation, interpretation, execution and termination;
- **“Confidential Information”** means all information disclosed by one Party (hereinafter, **“Disclosing Party”**) to the other Party (hereinafter, **“Receiving Party”**) or learned or observed by the Receiving Party or its personnel relating to: (a) the other Party’s business or business plans, utilization data, cost and pricing data, software, programming techniques, data warehouse and methodologies, all proprietary information (including MEI Software and Products IP), know-how, trade secrets, technical and non-technical materials, Products, Products specifications, processes, sales and marketing plans and strategies, designs; (b) information of any Third Parties for which Purchaser and/or MEI have an obligation of confidentiality; (c) any discussions and proceedings relating to any of the foregoing information, whether disclosed in oral, electronic, visual, written or any other form; and (d) any information developed or derived by either Party from the information described in the foregoing clauses (a), (b) and (c). Confidential Information shall include the terms and conditions of the Contract but does not include any information which the Receiving Party can demonstrate: (i) was lawfully in its possession and reduced to writing prior to the time of disclosure by or on behalf of the Disclosing Party and which is not subject to another obligation of confidentiality; (ii) is or becomes generally available to the public through no breach of the Contract by the Receiving Party or its personnel; (iii) is obtained from a Third Party lawfully entitled to possession of such Confidential Information and under no obligation of confidentiality to the Disclosing Party or its affiliates; or (iv) was independently developed by, or for, the Receiving Party without reference to, aid from or reliance upon the Confidential Information of the Disclosing Party.
- **“Force Majeure Event”** means the occurrence of an event or circumstance that prevents or impedes a Party (hereinafter, **“Affected Party”**) from performing one or more of its contractual obligations under the Contract, if and to the extent that the Affected Party by the impediment reasonably proves: (a) that such impediment is beyond its reasonable control; and (b) that it could not reasonably have been foreseen at the time of the conclusion of the Contract; and (c) that the effects of the impediment could not reasonably have been avoided or overcome by the Affected Party. The following events affecting a Party shall be presumed to fulfil the conditions above: war (whether declared or not), hostilities, invasion, act of foreign enemies, extensive military mobilization, civil war, riot, rebellion and revolution, military or usurped power, insurrection, act of terrorism, sabotage or piracy; currency and trade restriction, embargo, sanction; act of authority whether lawful or unlawful, pandemic (including restriction measures implemented in order to prevent the spread of the disease or virus), compliance with any law or governmental order, expropriation, seizure of works, requisition, nationalization; plague, epidemic, natural disaster or extreme natural event; explosion, fire, destruction of equipment, prolonged breakdown of transport, telecommunication, information system or energy; general labour disturbance such as boycott, strike and lock-out, go-slow, occupation of factories and premises. In no case Purchaser shall be entitled to invoke a Force Majeure Event in order to delay any of its payment obligations;
- **“General Terms and Conditions”** means this general terms and conditions of sale of the Products;
- **“Intellectual Property”** means, without limitation, (a) any patents, invention disclosures, including continuations, divisional, continuation-in-parts, reissues, re-examinations, extensions and supplementary protection certificates, and any applications and/or registrations thereof; (b) trademarks, service marks, names, corporate names, trade names, domain names, logos, software (including MEI Software) slogans, trade dress, design rights, and other similar designations of source or origin and all applications and/or registrations thereof; (c) copyrights and copyrightable subject matter and all applications and/or registrations thereof; and (d) information and know-how, practices, techniques, methods, processes, ideas, concepts, inventions, developments, specifications;
- **“Laws”** means, collectively, all applicable international, supranational, national, federal, state, provincial, regional and local laws, directives, statutes, ordinances, codes, rules, regulations, orders, decrees, guidelines or other pronouncements of any governmental, administrative or judicial authority having the effect of law, whether in existence at the effective date of the Contract or hereafter promulgated, enacted, adopted or amended;
- **“MEI”** means MEISYSTEM DO BRASIL LTDA., a company duly organized and existing under the laws of Italy and having its registered office at Rua Pio XI, nº 824, Alto da Lapa, São Paulo, SP, CEP 05.060-000, Brazil;
- **“Offer”** means the non-binding document issued by MEI listing the commercial terms and conditions applicable to the sales of the Products requested by the Purchaser. The commercial terms and conditions of the Offer shall be deemed valid and applicable for a period of 30 (thirty) calendar days starting from the date therein reported, unless differently specified.
- **“Order Confirmation”** means a document issued by MEI and submitted to Purchaser which includes the indication of the prospected Delivery Date (as defined below) and incorporates by reference this General Terms and Conditions;
- **“Party”** and/or **“Parties”** means MEI and the Purchaser individually or jointly considered;
- **“Products”** means the tools (hereinafter, **“Tools”**) and/or the consumables (hereinafter, **“Consumables”**) and/or the spare parts (hereinafter, **“Spare Parts”**) offered by MEI and included in the Offer;
- **“Purchase Order”** means the order/s issued by Purchaser for the purchase of the Products;
- **“Purchase Price”** means only the price of the Products with the exclusion of any other price components (for example, the price for the packaging of the Products); and
- **“Third Party”** means any entity (natural or legal person) other than a Party.

2. CONTRACT

- 2.1 The Contract shall consist only of the Order Confirmation and this General Terms and Conditions. In the event of any conflict of terms between the two documents, the following order of priority shall apply: (i) Order Confirmation; (ii) General Terms and Conditions.
- 2.2 Under no circumstances the Purchaser shall be entitled to demand and/or enforce the application of terms and conditions other than those contained in the Contract and, therefore, any other sales and/or purchase terms and conditions which may be specified by the

Purchaser within the Purchase Order (or in any other document) or, in any case, specified or delivered by the Purchaser, orally and/or in writing, at any stage of the contractual negotiation and/or even after the conclusion of the Contract, and any general purchase conditions of the Purchaser, regardless of the modalities by which they are delivered or brought to the attention of MEI (including any reference to the Purchaser's website) shall not apply to the supply of the Products and/or shall not be enforceable against MEI.

2.3 The Contract shall be valid, effective and binding for MEI only when formed in accordance with Article 3 of this General Terms and Conditions.

2.4 The Contract constitutes the entire agreement between the Parties with respect to the supply of the Products and shall prevail over and supersede all prior negotiations, representations and/or agreements related to such supply, either written or verbal. No amendments to or modifications of any terms and conditions of the Contract shall be valid unless made in writing and signed by both Parties.

3. FORMATION OF THE CONTRACT

3.1 Any Contract related to the supply of the Products shall be considered executed, valid and binding for the Parties in accordance with the following procedure:

- a) Upon Purchaser's request, MEI shall issue and provide to the Purchaser an Offer. The Offer will not be binding for MEI as the Offer will simply constitute an invitation to the Purchaser to submit a Purchase Order. All Offers will therefore always be revocable and/or modifiable by MEI without the need of any prior notice to the Purchaser.
- b) Upon the receipt of the Offer, the Purchaser shall issue and provide to MEI a Purchase Order for the purchase of the Products, specifying the type and the quantity, in accordance with the commercial terms and conditions of the Offer. Any Purchase Order shall be placed by the Purchaser in a written form and shall not be effective or binding for MEI unless as set forth in Article 3.2 and 3.3 of this General Terms and Conditions. In any case, MEI, at its sole discretion, shall always be entitled to refuse a Purchase Order.
- c) Within 10 (ten) Business Days after the receipt of a Purchase Order, MEI shall:
 - (i) issue and provide to the Purchaser an Order Confirmation; or
 - (ii) in case of any open matter or missing information, contact the Purchaser in order to request clarifications on the terms of the Purchase Order and, after the receipt of the requested clarifications and/or having resolved any open matter, provide Purchaser with an Order Confirmation.
- d) In any case, before the issuance of the Order Confirmation and/or before the delivery of the Products, MEI may verify the availability of the Products in its warehouse and issue the Order Confirmation and/or plan the delivery of the Products accordingly to the availability of the Products.
- e) No later than 3 (three) Business Days after the receipt of an Order Confirmation, Purchaser shall be required to provide to MEI the Order Confirmation duly signed confirming its unconditional acceptance of the Order Confirmation and this General Terms and Conditions.
- f) If any technical information or documents are required by MEI to duly perform the delivery and/or complete the supply of the Products, Purchaser shall provide them to MEI without delay and, in any case, no later than 10 (ten) Business Days after the receipt of the related request.

3.2 The Contract shall be considered executed, valid and binding for the Parties (alternatively):

- a) upon receipt by MEI of the Order Confirmation duly signed by Purchaser; or
- b) in case Purchaser will not provide to MEI the signed copy of the Order Confirmation:
 - (i) upon Purchaser performance of any of its contractual obligation. On the contrary, the performance by MEI of any of its contractual obligation shall not imply and shall not be interpreted as a tacit or implicit acceptance of any other terms and conditions than those included in the Order Confirmation and this General Terms and Conditions; or, in any case
 - (ii) 5 (five) Business Days after the date in which MEI sent to the Purchaser the Order Confirmation.

3.3 It is understood between the Parties that after the issuance of the Order Confirmation, the Purchaser shall not be entitled to terminate, cancel or modify any Purchase Order without the prior written consent of MEI. In case MEI, at its sole discretion, will grant (in writing) to Purchaser the possibility to amend, terminate or cancel any Order, Purchaser shall in any case be required to reimburse to MEI any costs or expenses eventually incurred and, if applicable, MEI shall be entitled to postpone the Delivery Date.

3.4 In any case, the Contract shall be governed solely and exclusively by the Order Confirmation and this General Terms and Conditions.

4 SCOPE OF THE CONTRACT

MEI agrees to sell, and Purchaser agrees to buy the Products as described in the Order Confirmation in accordance with the terms and conditions of the Contract (Order Confirmation and this General Terms and Conditions).

5 DELIVERY OF THE PRODUCTS

- 5.1 MEI undertakes to deliver to Purchaser the Products according to the Incoterm EXW (Incoterms 2020) at MEI facility. The Parties hereby agree that the delivery date of the Products shall be the pick-up date of the Products at MEI's plant (hereinafter, "**Delivery Date**").
- 5.2 The Delivery Date included in the Order Confirmation shall have to be considered purely indicative and, therefore, MEI shall in no case be responsible for any damage, expense, cost, loss of profit arising from any delivery delay.
- 5.3 In any case, MEI shall in no case be held responsible for any damage, expense, cost, loss of profit arising from any delivery delay attributable to its eventual sub-suppliers.
- 5.4 In case of any delay attributable to Purchaser (for example, any payment delay):
- a) MEI shall be entitled to postpone the Delivery Date accordingly; and
 - b) MEI may store the Products and the Purchaser shall bear the risk, the costs and expenses arising out of, related to or in connection with such delay or storage.

6 PACKAGING

- 6.1 The Purchaser, within the Purchase Order, is required to provide clear and precise information about the type of packaging that has to be used for the delivery of the Products. In any case, MEI, at its sole discretion, shall be entitled to deliver the Products with its standard packing.
- 6.2 The price for the packaging shall be paid by Purchaser in addition to the Purchase Price.
- 6.3 Upon collection of the Products at MEI's facility, the Purchaser or, in any case, the carrier appointed by the Purchaser for the collection of the Products, is required to carefully inspect the condition of the packaging and immediately report (in writing) any eventual defects to MEI. If the Purchaser or the carrier does not report any defects and/or non-conformities during the collection operations, any future claim with regard to the packaging shall have to be considered waived by Purchaser.

7 PRICE AND PAYMENT TERMS

7.1 Price

- a) The Purchase Prices indicated in the Offer and/or the Order Confirmation shall have to be considered the prices applicable only to the Products specifically included in such Offer or Order Confirmation.
- b) All the taxes, packaging cost, shipping cost, installation costs are not included in the Purchase Price, unless otherwise specified in the Offer and/or the Order Confirmation.
- c) MEI shall be entitled to modify and adjust the Purchase Prices at any time (even after the completion/perfection of the Contract) whenever such price adjustments are necessary or appropriate due to causes or events that are beyond MEI's control. In such cases, MEI will send to the Purchaser a notice to communicate such price modification.

7.2 Payments

- a) The Purchaser shall pay the Purchase Price and any other compensation due to MEI in accordance with the terms and conditions set forth in the Order Confirmation. It is understood that any collection fees, bank fees, stamp duty or any other cost related to the payment(s) of the Products shall be paid by the Purchaser.
- b) The Purchaser cannot suspend any payments for any reason and cannot compensate payments or other amounts due to MEI in relation to the Contract with amounts that MEI could be required to pay to the Purchaser in relation to the Contract.
- c) Any Purchaser delay in performing any of its payment obligations shall immediately give MEI the right to:
 - (i) charge the Purchaser with the interest provided by art. 406 Civil Code (in addition to any other additional cost, expense or damage eventually suffered by MEI);
 - (ii) if the delay is prior to the delivery of the Products, immediately suspend the production, the sale and/or the delivery of the Products; and
 - (iii) if the delay is after the delivery of the Products, if applicable, immediately suspend the execution of any other service or activity to be performed in favour of the Purchaser in relation to the Products or any other MEI's products.
- d) Should payment (even partially) be delayed by Purchaser for more than 15 (fifteen) calendar days, MEI, without prejudice to any other remedy that can be available pursuant the Contract or any applicable Laws:
 - (i) shall have the right to immediately terminate the Contract pursuant art. 475 Civil Code; and/or
 - (ii) shall be entitled to claim from the Purchaser the payment of a penalty equal to 1,5% of the total amount unpaid for each calendar month of delay, without any prejudice to MEI's right to request further compensation for any greater damage suffered.
- e) In case of any delayed or missing payments related to the sale of MEI machines, MEI shall be entitled to suspend the supply of the Products until the Purchaser is in compliance with all of its payment obligations.
- f) MEI shall be entitled and free to transfer and/or assign any of its credits to any Third Party.

- g) In case, after the formation of the Contract, circumstances arise concerning the financial conditions of the Purchaser which threaten Purchaser's ability to fulfil its payments obligation, MEI shall have the right to suspend the production, the sale and/or the delivery of the Products and to require:
- (i) the full payment of the Products in advance; or
 - (ii) that the Purchaser issue and deliver to MEI an adequate and acceptable guarantee to cover its payment obligations to MEI under the Contract.
- In case the Purchaser doesn't comply with MEI's request above, MEI shall be entitled to terminate the Contract, in addition to all other remedies provided by Law or specified in the Contract.

8. TRANSFER OF RISK AND RESERVATION OF OWNERSHIP

- 8.1 At the Delivery Date all risks of loss or damage related to the Products shall be transferred to Purchaser so that, after such date, Purchaser bears all the risks for every kind of loss or damage of the Products. In case of any delay of the delivery attributable to Purchaser, all risks of loss or damage related to the Products shall be considered transferred to Purchaser when the Products are made available for the collection (pick up date).
- 8.2 The Parties hereby further agree that the ownership of the Products shall be considered transferred from MEI to Purchaser only with the full payment of the Purchase Price and, therefore, during the retention of title period, Purchaser:
- a) shall be required to treat the Products carefully and, in any case, shall be liable for any eventual damage of the Products occurred during such period; and
 - b) shall not be entitled to sell, dispose or encumber the Products or, in any case, execute any other action that could affect the MEI's right on the Products.
- 8.3 Purchaser undertakes the obligation to comply (at its sole expense) with all the formalities provided for by the applicable Law in order to ensure that the retention of title set forth in Article 8.2 is enforceable by MEI against any Third Party.

9. ACCEPTANCE AND INSTALLATION

9.1 Acceptance of the Products by the Purchaser

Without prejudice to the provisions set forth below in Articles 10, 11 and 12, the Products will be considered accepted by Purchaser (hereinafter, "**Acceptance**") and in compliance with all the technical requirement agreed upon in the Contract at the Delivery Date.

9.2 Installation

- a) The installation of the Products on MEI machines shall be performed by Purchaser's personnel adequately trained following the instructions provided by MEI.
- b) In any case, MEI shall not be responsible for: (i) any damages arising from an installation of the Products which is not performed in compliance with the MEI instructions; and (ii) any damage to the Products occurred during the period from the Delivery Date to the date of the installation.

10. CLAIMS FOR DELIVERY NON-COMPLIANCE WITH THE OFFER AND/OR TO THE ORDER CONFIRMATION

- 10.1 The delivery non-compliance with the Offer and/or the Order Confirmation shall mean that the Purchaser claims that: (i) the type of Products delivered is not the type of Products specified in the Offer and/or the Order Confirmation; or (ii) the quantity of Products delivered is not the quantity of Products specified in the Offer and/or the Order Confirmation (hereinafter, collectively, "**Delivery Non-compliance**").
- 10.2 Any and all claims related to the alleged Delivery Non-compliance (hereinafter, "**Non-compliance Claim**") shall be notified by Purchaser to MEI in writing (hereinafter, "**Non-compliance Claim Notice**") within 8 (eight) days from the receipt of the Products.
- 10.3 After the receipt of the Non-compliance Claim, MEI shall be entitled to verify the Products supplied and all the documents related to such supply.
- 10.4 If MEI will determine the Non-compliance Claim to be timely, legitimate and grounded, MEI shall deliver the type and/or the quantity of Products specified in the Offer and/or the Order Confirmation, provided that Purchaser shall be required to promptly return to MEI the non-compliance Products originally supplied.
- 10.5 In case MEI will challenge or reject, for whatsoever reason, the Non-compliance Claim, the Parties shall cooperate in good faith and use their best effort in order to try to find an amicable solution on the matter provided that, in case the Parties shall not be able to find an amicable solution within 30 (thirty) days, Article 22.2 of this General Terms and Conditions shall apply.

11. SPARE PARTS WARRANTY AND LIMITATIONS

(valid and applicable only in case the Products purchased are Spare Parts)

11.1 Spare Parts Warranty

- a) The Spare Parts are in compliance with the applicable specifications and free from defects in material and workmanship provided that the Spare Parts are used according to the standard working conditions and with the exception of wear and tear

(hereinafter, **"Spare Parts Warranty"**). In no event MEI guarantees the results to be obtained from the use of the Spare Parts in case of any improper use of the Spare Parts by the Purchaser.

- b) The Spare Parts Warranty shall be valid up to:
- a maximum of 1,800 working hours or a period of 12 (twelve) months from the Delivery Date whichever occur (expire) first, in case of new Spare Parts; or
 - a maximum of 900 working hours or a period of 6 (six) months from the Delivery Date whichever occur (expire) first, in case of repaired Spare Parts

(hereinafter, alternatively, **"Warranty Period"**).

The Spare Parts Warranty is non-transferable and non-assignable by the Purchaser to any Third Party.

- c) Without prejudice to any other limitation provided for within the Contract, the Spare Parts Warranty shall cover solely and exclusively: (i) the repair or replacement of the defective Spare Parts (provided that Purchaser, at its expense, shall be required to return the defective Spare Parts to MEI); and (ii) the repair working hours performed by MEI's personnel (hereinafter, (i) and (ii) collectively, **"Warranty Work"**).
- d) The Spare Parts Warranty replaces any other or additional product warranty eventually provided for by the applicable Laws, so that MEI makes no other representation or warranty, expressed or implied (including implied warranties of merchantability, fitness for a particular purpose and non-infringement) concerning the Products, and all other guarantees, warranties, conditions and representations, either express or implied, are hereby expressly excluded.
- e) The Spare Parts Warranty is to be considered independent from the warranty possibly existing in relation to the MEI machines.

11.2 Spare Parts Warranty additional Limitations

- a) The Spare Parts Warranty does not include:
- (i) worn out Spare Parts;
 - (ii) transportation costs for staff and materials (Km and time) associated with the replacement of the defective Spare Parts;
 - (iii) extra costs (hotel, restaurant, etc.) associated with the replacement of defective Spare Parts; and
 - (iv) any damage, cost or expense arising from the continued usage of the defective Spare Parts.
- b) The Spare Parts Warranty shall not be valid or applicable in case of (alternatively):
- (i) any Purchaser's delayed payments;
 - (ii) improper use and/or unauthorized modification of the Spare Parts;
 - (iii) expiry of the Warranty Period; and
 - (iv) Warranty Claims submitted not in compliance with Article 12 of this General Terms and Conditions.

12 WARRANTY CLAIMS

12.1 Any and all claims related to the alleged defected Products (hereinafter, **"Warranty Claim"**) shall be notified by Purchaser to MEI in writing (hereinafter, **"Warranty Claim Notice"**).

12.2 Each Warranty Claim Notice:

- a) Shall be submitted by Purchaser, under penalty of forfeiture, with no delay and, in any case, no later than 8 (eight) days from the discovery of the alleged non-conform or defected Products (with reference to obvious defects the discovery date shall be the Delivery Date). In any case, the Purchaser shall not undertake any work or use of the allegedly defected Products that may be able, even if only potentially, to worsen the alleged defect or non-conformity; and
- b) shall include a clear indication of the defected Products and a detailed description of the alleged non-conformity or defect.

12.3 In any case, any Purchaser right to submit any Warranty Claim shall expire at the expiration date of the applicable Warranty Period.

12.4 After the receipt of a Warranty Claim Notice (hereinafter, **"Preliminary Stage"**), MEI shall:

- a) verify if such claim is in compliance with the terms and conditions of this General Terms and Conditions and, in particular, those set forth in Articles 11 and 12; and
- b) contact the Purchaser in order to undergo a preliminary investigation with reference to the Warranty Claim noticed (at this end, MEI may request from the Purchaser technical documentation or photographs of the alleged defective Products).

12.5 After the Preliminary Stage:

- a) in case MEI will determine the Warranty Claim to be timely, legitimate and grounded, MEI shall have to perform the Warranty Work provided, however, that MEI shall not have any additional liability or responsibility of any kind towards Purchaser with reference to such Warranty Claim and provided that Purchaser return to MEI the defected Products; or
- b) in case MEI will challenge or reject, for whatsoever reason the Warranty Claim, the Parties shall cooperate in good faith and use their best effort in order to try to find an amicable solution on the matter provided that, in case the Parties shall not be able

to find an amicable solution within 30 (thirty) days, Article 22.2 of this General Terms and Conditions shall apply.

12.6 In any case, the Parties hereby agree that:

- a) in no case whatsoever, Purchaser shall be entitled to delay, set-off, postpone or withheld any payment due to MEI;
- b) whenever MEI will consider necessary to inspect the Products subject matter of a Warranty Claim, Purchaser shall bear all the costs and expenses associated to the transport of the Products at MEI's plant; and
- c) in the event of replacement or repair of a Products by MEI, the Warranty applicable to such Products shall not be considered renewed.

13 RETURNS OF THE PRODUCTS

13.1 In each case the Purchaser will be entitled to return the Products to MEI according to this General Terms and Conditions, the modalities, time and date of such return of the Products shall have to be agreed in writing and in advance with MEI. MEI shall always be entitled to not accept any of such return if the Products are damaged and/or if the packaging is not intact.

13.2 In any case, the risk and any cost or expense related to the return of the Products to the MEI facility shall be borne by the Purchaser.

14 PRODUCTS LIABILITY

14.1 MEI shall not be liable for any loss, cost, damage and expense arising from any Product liability claim(s) made with respect to the Products. The Purchaser undertakes to insure adequately against any products liability risks through a specific insurance policy.

15 GENERAL LIMITATIONS OF LIABILITY

15.1 In addition to the other limitations provided for by the Contract and to the fullest extent permitted by the applicable Law (and, therefore, with the exclusion of wilful misconduct or gross negligence), the Parties expressly agree that, in no event or case whatsoever:

- a) MEI shall be liable (or shall have any indemnification obligation) under the Contract for consequential, indirect, incidental, special, exemplary, punitive damages, loss of profit or revenues or diminution in value, arising out of or relating to and/or in connection with any MEI's breach of the Contract (or any use of the Products); and
- b) MEI shall be liable (or shall have any indemnification obligation) for damages arising from: (i) improper use of Tools, Consumables and Spare Parts; (ii) use of not o.e.m. (original equipment manufacturer) Tools, Consumables and Spare Parts; (iii) use of Tools, Consumables and Spare Parts on modified MEI machines; (iv) use of defected Tools, Consumables and Spare Parts in case the Purchaser is aware of the defect and/or non-conformity of the Products.
- c) MEI's liability for any reason or title related or connected to the Products (including Products Liability), sale and production of the same and/or, in any case, pursuant to the Contract (including contractual, extra-contractual and/or product liability of any kind) shall exceed an amount equal to the total value of each single Contract (hereinafter, "**General Cap**"); and
- d) MEI shall have any indemnification obligation towards Purchaser or any Third Party before (until) MEI's responsibility has been ascertained by a final judgment.

16 PURCHASER LIABILITY

16.1 The Purchaser shall indemnify and hold harmless MEI from and against all losses, costs and expenses arising out of or in any way connected with any act or omission of the Purchaser.

17 INTELLECTUAL PROPERTY

17.1 Purchaser acknowledges and agrees that MEI owns or rightfully uses all the Intellectual Property relating to the design and manufacture of the Products (hereinafter, "**Products IP**") and Purchaser will not at any time directly or indirectly contest such ownership or use.

17.2 Purchaser shall neither register or exploit, nor allow or support the registration or exploitation by any Third Parties of any of the Products IP.

17.3 Purchaser further acknowledges and agrees that it will acquire no right, title or interest in the Products IP as a result of the execution of the Contract.

17.4 Any improvements made to the Products or the Products IP (hereinafter, collectively, "**Products Improvements**") shall be the sole property of MEI. In case such Products Improvements will be suggested, conceived, developed, invented, or authorized by Purchaser, such improvements shall also be the sole property of MEI and Purchaser shall assign all such rights to MEI free of any charge. In the event and to the extent that such transfer of ownership shall not be legally permissible, Purchaser hereby grants and/or irrevocably agrees to grant to MEI an unrestricted and unlimited, exclusive, royalty-free, irrevocable, worldwide, license to use such Products Improvements.

17.5 Purchaser shall immediately and without delay notify MEI in writing if any Third Party raises any claims related to the Products or the Products IP or violate such Products IP. In respect of any of such matters, MEI shall have the right to decide, at its sole discretion, what action if any to take and have exclusive control over, and conduct of, all claims and proceedings. In any case, Purchaser shall provide to MEI with any assistance and support in all judicial/non judicial action in defense of the Products or Products IP.

- 17.6** In any event, Purchaser irrevocably covenants not to sue MEI for any Intellectual Property right infringement.
- 17.7** In case the Products are manufactured by MEI based on technical specifications, drawings, data or requirements that are provided by Purchaser, the Purchaser shall indemnify, defend, and hold harmless MEI, its agents, employees, successors and customers against all claims, demands, losses, damages, liabilities and expenses (including reasonable attorneys' fees) related to the fact that the Products (actually or allegedly) infringed any Third Party's Intellectual Property right.

18 CONFIDENTIALITY

- 18.1** The Receiving Party: (a) shall keep, and shall cause its personnel to keep, strictly confidential and not disclose to any Third Party the Confidential Information; (b) shall not use, and shall not permit its personnel to use, any Confidential Information except in accordance with this General Terms and Conditions; (c) shall exercise all reasonable efforts (and in no event less than reasonable care) to prevent unauthorized personnel and Third Parties from gaining access to Confidential Information; (d) shall disclose Confidential Information only to such of its personnel who have a need to know such Confidential Information to fulfil the respective's obligations under the Contract; (e) prior to any disclosure, shall instruct its personnel of the confidential nature of, and to maintain the confidentiality of the Confidential Information and, in any case, bind the personnel receiving the Confidential Information to a written agreement with confidentiality obligations at least as restrictive as this Contract; and (f) shall in any case be responsible for all actions of its personnel, including any breach of the terms hereof (hereinafter, collectively, "**Confidentiality Obligations**").
- 18.2** In the event the Receiving Party becomes aware of any breach of the Confidentiality Obligations shall promptly notify the Disclosing Party in writing of such breach.
- 18.3** Confidential Information may be disclosed by the Receiving Party to the extent required in order to comply with a court order, statute or governmental directive or the applicable Law, provided that in such event, the Receiving Party shall have to provide the Disclosing Party with a prompt written notice (except where restricted by applicable Law) before such Confidential Information is disclosed and cooperate with the Disclosing Party in case such Disclosing Party will decide to seek protective order or other appropriate remedy for prevent the disclosure of such Confidential Information. In any case, the Receiving Party shall disclose only the portion of the Confidential Information which it is legally required to disclose.
- 18.4** Upon Disclosing Party's request, the Receiving Party shall promptly return to the Disclosing Party all of the Confidential Information. The Receiving Party shall be entitled to retain one (1) copy of any document containing Confidential Information in its confidential files for so long as necessary in order to comply with the applicable Law provided, however, that the Confidentiality Obligations shall continue to apply with regard to any such Confidential Information retained by the Receiving Party as long as they are retained by such Party.
- 18.5** The Confidentiality Obligations shall be valid and effective from the date of execution of the Contract and for a period of 15 (fifteen) years thereafter.
- 18.6** The Receiving Party hereby acknowledges and agrees that any breach of the Confidentiality Obligations may result in irreparable injury for the Disclosing Party and, therefore, in the event of any of such breach or threatened breach, a restraining order and an injunction may be issued against the Receiving Party to prevent unauthorized disclosure of the Confidential Information.

19 TERMINATION

- 19.1** In addition to all other remedies provided by Law or specified in the Contract, MEI shall be entitled to immediately terminate the Contract pursuant to Article 475 Civil Code upon written notice to Purchaser, upon the occurrence of any of the following events:
- a) any payment delay or postponement for more than 15 (fifteen) days; and
 - b) violation by Purchaser of one or more of the obligations set forth in Articles: 8.2; 8.3; 17; 18.1; 23.1; and
 - c) one or more of the event described in the following Articles occur: 5.4; 7.2(d); 7.2(g); and
 - d) Purchaser is declared bankrupt or insolvent under the Applicable Law or enters into liquidation either voluntarily or involuntarily or sells and disposes all of its assets otherwise than for the purpose of a bona fide sale or merger.

20 SUBCONTRACTING

- 20.1** MEI shall be entitled to subcontract any or all of its obligations under the Contract.

21 FORCE MAJEURE

- 21.1** The Affected Party shall give notice in writing of the Force Majeure Event without delay to the other Party.
- 21.2** The Affected Party is relieved from its duty to perform its obligations under the Agreement and from any liability in damages or from any other contractual remedy for breach of Contract, from the time of the occurrence of the Force Majeure Event noticed to the other Party.
- 21.3** Where the effect of the Force Majeure Event is temporary, the consequences set out under Article 21.2 above shall apply only as long as the Force Majeure Event prevents the Affected Party from the performance of its contractual obligations.
- 21.4** The Affected Party is under an obligation to take all reasonable measures to limit the effect of the Force Majeure Event upon performance of the Contract.

21.5 The Parties hereby agree that the Contract may be terminated by either Party if the duration of the Force Majeure Event exceeds 120 (one hundred and twenty) days.

22 APPLICABLE LAW AND JURISDICTION

22.1 The Contract shall be governed by and construed in accordance with the law of the Federal Republic of Brazil. In case of any conflict between the provision of the Contract and the provision of the Vienna Convention on the International Sale of Goods 1980 (CISG), the provision of the Contract shall always prevail.

22.2 Any disputes arising out of or in connection with Contract, including provisional remedies and injunctions, shall be subject to the exclusive jurisdiction of the Judicial District of the Capital of the State of São Paulo, waiving the Parties to any other jurisdiction, however privileged it may be.

23 MISCELLANEOUS

23.1 MEI may assign its rights and obligations under the Contract to any Third Party without Purchaser's prior consent. The rights and obligations of Purchaser under the Contract are not assignable or transferable by Purchaser without MEI prior written consent.

23.2 Any provision of the Contract that is determined by any court of competent jurisdiction to be invalid or unenforceable will not affect the validity or enforceability of any other provision hereof or the invalid or unenforceable provision in any other situation or in any other jurisdiction. Any provision of the Contract held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

23.3 No waiver of any provision of the Contract will be valid unless the waiver is in writing and signed by the waiving Party. The failure of a Party at any time to require performance of any provision of the Contract will not affect such Party's rights at a later time to enforce such provision. No waiver by any Party of any breach of the Contract will be deemed to extend to any other breach hereunder or affect in any way any rights arising by virtue of any other breach.