

GENERAL CONDITIONS OF SUPPLY

Any and all supplies of goods or services contracted between Embraco Indústria de Compressores e Soluções em Refrigeração Ltda, à private company with its legal address at Rua Rui Barbosa, n. 1.020, Distrito Industrial, Joinville/SC - CEP 89219-100, registered on the CNPJ/MF under number 29.958.609/0001-50, and/or its controllers, affiliates and subsidiaries ("Embraco") and the supplier, duly qualified in the act of registration of access to the Embraco's Suppliers Portal or identified in the Supplier Registration Form - Form A (the "Supplier"), will be subject to the terms and general conditions of supply below ("General conditions" or "Agreement"):

1. **PURCHASING DOCUMENT:** These general conditions, with the purchase order, SAP agreement, Remittance Program, Remittance Division, Forecasts and/or Releases (together the "Purchasing Documents") and with any other documents issued in their consequence, such as, but not limited to, specifications, drawings, agreements of quality levels of products or services, management of consequences, memorials description and notices of competition for carriers ("Specifics Conditions"), constitute the integral agreement between the parties regarding the purchase and sale of the goods and/or services indicated in the Purchasing Documents ("Goods or Services"). The terms "General Conditions", "Purchasing Document", "Specific Conditions" and "Agreement" are used here indistinctly. The *Forecasts* do not constitute a purchase order or promise by Embraco, but only a mere estimate/forecast of purchase. Except in the event that there is a specific written agreement between Embraco and supplier, whose object is the same governed by these general conditions and duly signed by the legal representatives of both parties, these General Conditions prevail, replace and cancel any prior statement, negotiation or agreement, whether verbal or written, including those contained in quotations, proposals, confirmations or invoices from one party to another, unless the parties agreed otherwise in written.

2. **ACCEPTANCE:** The written and/or electronic confirmation provided by entering the password in the field of acceptance below and/or the beginning of the relation between Embraco and Supplier, the presentation of a commercial offer, the partaking of the quotation process and/or the beginning of the supply of the Goods or the provision of the Services by the Supplier, represents the full and irreversible acceptance of these General Conditions by the same. Any terms or conditions presented by Supplier in discrepancy or in addition to these General Conditions or that are intended to amend these General Conditions, in whole or in part, will not be valid and will not produce any effects, unless otherwise agreed by Embraco in writing. These General Conditions apply to both on-time deliveries at any moment, or continuous supply.

3. **EMBRACO'S OBLIGATIONS:** Embraco is not obliged to purchase any goods or services from the Supplier, except in the quantity, quality and price established in the Purchasing Documents.

4. **PRICE AND OTHER COMMERCIAL TERMS:** The price and other commercial conditions for the acquisition of the Goods or Services ("Price") shall comply with the provisions of the respective Purchasing Documents and shall be valid and fixed for the period indicated therein. The Price constitutes the total remuneration of the Supplier for the supply of the Goods or Services, including all taxes, supplies and costs incurred by the Supplier. No other value, of any nature, will be added to the Price or otherwise charged to Embraco without its previous and express consent. Payments to the Supplier will be made by Embraco only upon deposit in the bank account indicated by the Supplier for that purpose. Any intention to assign credits arising from this Agreement by the Supplier to third parties may only occur after prior and express written authorization from Embraco. If there is any Embraco's advance of values to the Supplier and if it fully or partially discharges its obligations to supply the Goods and Services, the amounts paid by Embraco shall be immediately returned by the Supplier, with interest of 1% (one percent) per month and correction from the date

of payment to the date of effective return, pro rata temporis, without prejudice to the other legal remedies in favor of Embraco provided for in this Agreement and/or by law.

5. DELIVERING: The conditions of delivery of the Goods or Services are those indicated in the Purchasing Documents. The Supplier agrees that the fulfillment of the deadlines is essential in the activity developed by Embraco and, for this reason, assumes responsibility for the timely delivery of the Goods in the quantity and quality specified by Embraco in the Purchasing Document or on the timely and correct delivery of the Services, under penalty of having to reimburse and indemnify Embraco for the losses suffered by them. In addition, if the Supplier identifies that it cannot meet the agreed deadlines, it must (a) supply itself through third parties, provided that it has been previously authorized by Embraco, remaining in this case fully responsible for the supply by such third party, or, (b) communicate to Embraco in advance, so as to enable the parties to establish a plan of action comparable to the needs.

6. AMENDMENTS: Embraco may, at any time, amend the specific conditions for the acquisition of goods or services, including, but not limited to, technical specifications, deadline, place of delivery, form of transport, among other requirements. In this case, if the supplier's costs are materially affected as a result of the change intended by Embraco, the supplier shall communicate this fact within a maximum of thirty (30) days from the request for change by Embraco, so that the parties can negotiate the appropriate price adjustments and/or other terms and conditions.

7. INSPECTIONS/TESTS: The payment of the price or the inspection or testing of the Goods or Services by Embraco does not represent Embraco's acceptance of the quality of the Goods or Services and does not release the supplier of its obligations. Embraco may inspect the Goods or Services and reject, in whole or in part, those that present defects, non-conformity to the specifications or non-reliability. Rejected Goods may be returned to Supplier at their expense and without prejudice to Embraco's other rights. Embraco may charge Supplier for all expenses incurred in the inspection and return of the Goods. If the services provided by the Supplier do not comply with the conditions contained in the respective Purchasing Documents and/or Specific Conditions or if they are found to be insufficient, negligent or defective, in whole or in part, Embraco may require the Supplier to correct or complete the Services, as the case may be, without prejudice to any eventual damages. The provisions contained in the Purchasing Documents or the Specific Conditions do not release the Supplier from the obligation to test, inspect and maintain quality control over the Goods and Services. Embraco may, at any time, upon prior scheduling, inspect the Supplier's manufacturing facilities and review and assist Supplier's manufacturing and testing procedures with respect to the Goods supplied. Embraco will limit inspection only to areas related to the manufacture of the Goods.

8. WARRANTY: The Supplier guarantees, for the below defined Term of Warranty, that all Goods or Services: (a) shall be supplied or provided in accordance with applicable specifications, sample, designs, descriptions and standards in force at Embraco's approval and certification, and any change in the Goods or Services or in its execution/production process, shall be submitted to Embraco for approval in a timely term prior to the supply and/or delivery; (b) shall be packaged, identified and labeled in an appropriate manner and/or in accordance with the instructions provided by Embraco; (c) they are new, subject to marketing, suitable for the purposes for which they are intended, safe and free from defects in raw material, labor and design; (d) are manufactured and marketed in accordance with all applicable laws and regulations; (e) shall have their property transferred to Embraco free of charge, free of onus and encumbrances, and (f) not infringe any trademarks, patents or other intellectual property rights of any third party. Except in the cases that different periods are agreed in written by the Parties, the warranty period will be the longest of the following deadlines: (i) if the goods are not incorporated into the products

manufactured by Embraco, 18 (eighteen) months before the date of the beginning of the use of the Goods or the acceptance of the Goods or Services, whichever occurs last, or (ii) if the Goods are incorporated into the products manufactured by Embraco, 18 (eighteen) months from the date the Goods are incorporated into the Embraco's product or the warranty period given by Embraco to its clients in the purchase of the products, whichever occurs last. No limitation to the resources available to Embraco in the event of breach of warranty by the Supplier has been or will be previously established, unless otherwise agreed by Embraco in writing. During the Warranty Period, the Supplier undertakes to repair, rework and rebuild, at its own expense, any Goods or Services that are defective, damaged or incorrect, including those in stock or in the field. Any other quality agreements set forth by the parties are in addition to and do not replace or limit the warranties hereunder or any other rights of Embraco, as provided by law or the Agreement. All warranties will remain valid upon inspection, testing, acceptance of the Goods or Services and will survive termination of this Agreement.

9. INSURANCE: Unless otherwise negotiated by the Parties expressly in the Purchasing Documents, the Supplier shall, at its own expense, provide the following insurances, with sufficient coverage and compatible with the Supply made, informing the respective policies to Embraco, through copies thereof, before the beginning of the supply:

- (i) Insurance against fire hazards, losses and/or damages of the application and consumption materials and also of the tools, machinery, equipment and or auxiliary materials owned by them and third parties used in the Supply;
- (ii) Civil liability insurance with sufficient coverage against damages that may be caused to Embraco and/or third parties and resulting from the execution of the Supply;
- (iii) Insurance for its employees and occupational accidents, covering at least the following risks: (a) natural death; (b) accidental death; (c) total or partial disability; and (d) funeral assistance (employee, spouse and dependents);
- (iv) In the event that the Supplier uses vehicles in the Supply, the Contractor must contract an Optional Civil Liability Insurance - Motor Vehicles, to guarantee material and personal damages caused to third parties in the Environment of the Supply. The circulation of vehicles of this nature within the Environment of the Supply that does not have the coverage object of this policy will not be allowed; and
- (v) Other insurance that is necessary due to the nature and degree of risk of the Provision made.

10. CIVIL RESPONSIBILITY: The Supplier shall protect, defend (upon request in this case) and indemnify Embraco, its parent companies, affiliates and subsidiaries, as well as their successors, assigns, agents, representatives, employees and consumers, with respect to any and all judicial or extrajudicial claims (including attorney's fees and amounts paid in agreements) arising from (a) actual or alleged infringement of trademarks, patents or other intellectual property rights or competition rules, incurred in the manufacture and/or commercialization of the Goods or Services; (b) material and/or personal losses or damages, actual or alleged, caused to Embraco or third parties, including rework or recall costs, arising from (i) defects, non-compliance with specifications or defects, failures and/or non-liability of the Goods or Services; (ii) breach of warranty or any other duty arising from this Agreement by the Supplier; (iii) delayed delivery of goods or (iv) violation of rules, laws, rules or regulations by the Supplier.

11. PRODUCT SAFETY AND ENVIRONMENT: The Supplier shall not immediately notify Embraco in writing if it identifies any Goods or Services: (a) not complying with or failing to comply with any applicable environmental or product safety standards; (b) have any defect that could create a risk of injury or injury to users and/or oblige Embraco to advise them of the existence of such defect; or (c) contain or have been produced or supplied with the use of any substance (i) that is or will be specified in law or regulation, national or international, as hazardous to health or the environment, or (ii) creates to any of the Parties, by law or regulation, national or international, the obligation to

warn users about the use of such substance. Without any prejudice to the foregoing, the Supplier shall submit to Embraco, at any time, any clarifications and technical information that may be requested by Embraco concerning the Goods or Services provided.

12. TOOLING: (a) If in the scope of the relationship between Embraco and the Supplier is included the development, adaptation, manufacture, installation or provision of molds, tools or other machines and equipment ("Tooling"), the Supplier shall, upon Embraco's request and after completion of development, submit the drawings and specifications of the Tooling for prior review and approval by Embraco. The Supplier shall not begin to manufacture the Tooling until it receives written authorization from Embraco in this regard. The payment for the Tooling, when under Embraco's responsibility, will be made only after the Supplier installs, tests and demonstrates that the Tooling meets the applicable specifications (start-up). (b) The Tooling itself, the Drawings of the Tooling developed for Embraco, its spare parts and other materials necessary for its use ("Tooling and Accessories") supplied to Embraco and paid by Embraco (including Tools paid through amortization in Goods or Services), even if assigned to the Supplier on a lending basis, are the exclusive property of Embraco, and the Supplier must comply with all legal requirements and Embraco's specifications regarding its use, maintenance, storage and transportation. All Tooling and Accessories shall be identified as Embraco's property and shall be used only for the manufacture of goods or employment in services intended for Embraco.

13. COMMODATUM: Also, if the supply of the Goods or the provision of the Services implies in the loan of the Tooling owned by Embraco to the Supplier, such loan shall be given as a commodatum, entered into by the Parties through a specific agreement containing all the obligations requested by civil law. It is already agreed that the Tooling must be used by the Supplier solely and exclusively for the service of Embraco. In case of termination of the Contract for any of the reasons listed in Clause 22 below or by means of Embraco's filing herein, the Supplier shall, at its exclusive expense, immediately return the Tooling to Embraco.

14. LACK OF BONDING: This Agreement does not constitute either Party as a representative, agent, employee or attorney of the other Party. Any and all charges of a fiscal, social, labor or social security nature that are due directly or indirectly from the supply of the Goods or Services shall be the sole responsibility of the Supplier, without any solidarity or duty of reimbursement from Embraco.

14.1. The Supplier shall provide to Embraco, if and when requested by it, a certified copy of the documents proving its fiscal, labor, social security, and other regularity, within the period stipulated by Embraco for delivery, such as, but not limited to, (GFIP), a negative certificate of debt to the INSS (CND), a certificate of regularity with the FGTS (CRF), negative certificate of taxes and contributions administered by the Federal Revenue Service, state and municipal taxes, last annual balance sheet / statement of income and copies of ISO certificates and other applicable to the type of Supply executed by the Supplier.

15. PROVISION OF SERVICES IN EMBRACO'S INSTALLATIONS: When applicable, the Supplier shall submit to Embraco a list of its employees who will have access to Embraco's facilities for the provision of the Services, as well as to ensure that these employees follow the standards and conduct procedures adopted by Embraco, including respecting their internal policies, under penalty of being liable for the payment to Embraco of any losses arising from damages its employees may cause, voluntarily or involuntarily, to Embraco's facilities and employees or third parties, to the limit of its involvement. The Supplier shall deliver and be responsible for the use by its employees of the Personal Protection Equipment ("PPE") and Collective Protection Equipment ("CPE"), as well as

annually deliver the following documents to Embraco: Occupational Health Medical Control Program ("PCMSO") NR7, Environmental Risk Prevention Program ("PPRA") NR9 and Minutes of Internal Accident Prevention Commission ("CIPA") (NR5 and its updates).

15.1. The Supplier shall notify Embraco of any work-related accidents within a maximum period of 24 (twenty-four) hours, as well as the competent authorities, when applicable. The Supplier shall request that the competent police authority investigates all the occurrences of serious and fatal accidents with legal repercussions.

15.2. Any action, even if timely adopted by the Supplier, will not exclude him from the responsibilities that may fit him.

15.3. In addition to the above provisions, the Supplier shall respect and follow all the guidelines in the Health, Safety and Environment Program for Embraco's Contracted Companies.

15.4. In cases where the Supplier employs foreign labor to carry out any service contracted by Embraco, for execution in its premises or not, the Supplier shall undertake to submit to Embraco, prior to the beginning of the services, due visas or work permits for foreigners, necessary for the regular execution of the services in the country, according to the legislation in force.

16. LABOR OBLIGATIONS: The Supplier assumes, for all legal purposes, that he is the sole employer of the employees he employs, being responsible for all labor, civil, tax and social security charges, in relation to his employees, contractors, agents or designated partners for the supply of the goods or execution of the contracted services, including: salaries, indemnities, prior notice, 13th salary, holidays, FGTS, labor accidents, insurance and others, as well as for the payment of all federal, state, municipal and existing or that may be created during the term of the relationship between the Supplier and Embraco.

16.1. The Supplier shall, in and out of court, exempt and indemnify Embraco to the fullest extent permitted by law, directly or on the way of return, as the case may be, bearing all costs, expenses, legal fees (contractual and loss), damages, damaging effects, among others that may arise from the claim or demand, be they labor or not, by their employees, contractors, agents or partners, within 10 (ten) days counted from the receipt of notification to that effect. Such obligation shall subsist, even if by judicial decision, Embraco shall be declared jointly or subsidiary liable for payment of such charges.

16.2. In the event Embraco is summoned to integrate any claim and/or action brought by an employee involved in the execution of the supply or services contracted, directly or indirectly, or as a result of acts of the Supplier, Supplier shall request the exclusion of Embraco from the claim. Should Embraco not be excluded from the claim, the Supplier shall be obliged to provide all the guarantees and sureties determined during the procedure in all instances, and shall be obligated to bear all costs and expenses necessary for the proceedings, including expert fees, exempting Embraco from any liens and/or financial disbursements, in any way, related to the processes.

16.3. It is expressly agreed that if Embraco is summoned, sued, notified or convicted due to non-fulfillment, at its own time, of any liability of the Supplier, originating from the provision or rendering of services, of any nature (civil, criminal, labor, tax, social security or any other type), Embraco may withhold payments due to the Supplier related to these General Conditions and/or any other agreement between Embraco and the Supplier, applying them to satisfy the obligation, in order to release Embraco from the subpoena, filing, notice or conviction.

16.4. Notwithstanding the foregoing, in the event of Embraco suffering a blockage of values or any other type of constriction of assets due to labor claims brought by employees, contractors, agents or partners of the Supplier, the Supplier shall within a maximum period of 48 (forty-eight) hours counted from the receipt of the written notice, give goods in guarantee, so that those of Embraco are released.

16.5. Failure to comply with any of the above shall result in the application of a fine, without prejudice to the termination of the supply or provision of the services covered by these General Conditions and/or other agreements in force between Embraco and the Supplier, by Embraco, in addition to the payment of damages.

17. ENVIRONMENTAL: The Supplier undertakes to observe and comply with current environmental legislation and the requirements thereof, as well as with Embraco's environmental policy, and is responsible for obtaining and maintaining any permits or licenses required by public bodies as a result of direct or indirect execution of supply or services, including commitment to sustainable development, prevention of pollution and waste of natural resources.

18. INSPECTION: Embraco will conduct a periodic inspection to verify the compliance with the obligations of the supplier, including related to labor, occupational health and safety obligations, among others, and the supplier shall allow, facilitate and collaborate with the conduction of the inspections. If during the inspection Embraco detects situations in disconformity with the obligations assumed by the supplier and/or with the applicable laws, Embraco may determine the immediate stoppage of the supply or service for the period necessary, as well as the fulfillment of Embraco's requirements within 24 (twenty-four) hours for correcting irregularities.

18.1. If the supplier does not regularize the disconformity situation within the time limit set forth above, a fine shall be applied, according to the seriousness of the infringement, until the settlement of the situation, without prejudice to the termination of the supply or the services regulated by these General Conditions of Supply and any other contracts in force between Embraco and the supplier, in the sole discretion of Embraco, in addition to losses and damages.

18.2. The right of inspection exercised by Embraco does not exempt or diminish the liability of the Supplier for any damages caused to third parties and/or Embraco itself, due to defects and/or the inefficiency of the supply or services.

19. USE OF NAME AND TRADEMARKS: The acceptance of this General Condition of Supply does not guarantee to the supplier any authorization to mention, disclose or otherwise use the business name (or any part thereof), products, corporate information or trademarks of Embraco, without the prior and express authorization thereof, duly formalized by its legal department.

20. INTELLECTUAL PROPERTY: The supplier declares and guarantees that the intellectual property employed in any of its activities, as well as in the services and/or products covered in this General Condition of Supply, (i) is its sole property; (ii) is licensed to the supplier; or (iii) is legally in the public domain. The supplier declares and agrees that any and all intellectual property resulting from research and/or development activities related to the execution of the supply or services by the supplier with or without Embraco's contribution, shall belong exclusively to Embraco. The supplier undertakes to obtain all licenses and authorizations, as well as to ensure that his personnel allocated in the execution of the supply or services sign any and all documents necessary to ensure the intellectual property of Embraco.

21. CONFIDENTIALITY: Embraco and the Supplier acknowledge and agree that any and all

information exchanged between them, by any means, throughout the term of their relationship constitutes the confidential information ("Confidential Information"). Such information, disclosed by any means, and regardless of whether or not it is marked as confidential, private, or restricted, shall be held as confidential by the other party. The purpose of exchanging information is merely to enable the parties to fulfill their obligations and responsibilities arising from the agreed upon relationship. Embraco and the Supplier agree to disclose the Confidential Information only to those employees who need to be aware of their activities, to use the same level of care that they use with their own confidential information at all times, using, in any way, the minimum of reasonable care to maintain confidentiality of Confidential Information. It will not be considered confidential the information that (a) the receiving party can prove, at the time of receipt, that it was already of his/her knowledge before receiving it from the other party; (b) is or becomes public by act that does not fall under the intent or guilt of the party receiving the information; (c) has been disclosed by express written permission of the holder of the information, or (d) has been disclosed by legal or judicial determination.

22. PERSONAL DATA PROTECTION AND TREATMENT: If the scope of the relationship between Embraco and the Supplier involves, in any way, even if accessory, the processing of personal data (here understood as any information related to the natural person identified or identifiable) the Parties shall perform said treatment based on the principles contained in the applicable legislation, such as, but not limited to, the General Data Protection Act (Law 13709/2018); General Regulation on Data Protection of the European Union (EU Regulation 2016/679); among others, as well as the following premises.

22.1. Each Party is a separate controller in respect of the personal data they process and shall independently determine the purposes and means of such processing.

22.2. Embraco and Supplier acknowledge and confirm that they will observe all applicable requirements of data protection Laws and will, on request, provide the other at its own expense with reasonable assistance, information and cooperation to ensure compliance with the respective obligations under data protection Laws.

22.3. In regard with the personal data treatment, each Party acknowledges, confirms and represents for its own part that, as a controller of personal data: a) all personal data collected or sourced by it or on its behalf for processing in connection with the supply of the Goods or performance of the Services shall comply with and have been collected or otherwise obtained in compliance with applicable data protection Laws; b) all instructions given in respect with personal data treatment shall be in accordance with applicable data Laws.

22.4. If the Supplier becomes aware of a personal data breach related to the supply of the Goods or the providing of the services, it shall notify Embraco without undue delay, and shall also co-operate with Embraco, to the extent reasonably requested, with actions to mitigate the damage caused by the breach as well as sending any notifications to authorities and government bodies responsible by data protection.

22.5. In the event of such a breach, Supplier shall fully and immediately comply with applicable laws, and shall take the appropriate steps to remedy such Breach, as well as defend, indemnify and hold Embraco, its Affiliates, and their respective officers, directors, employees and agents, harmless from and against any and all claims, suits, causes of action, liability, loss, costs and damages, including reasonable attorney fees, arising out of or relating to any third party claim arising from breach by Supplier of its obligations regarding a Breach of Personal Data, except to the extent resulting from the acts or omissions of Embraco.

23. **VALIDITY AND TERMINATION:** Unless a time limit is stipulated in the purchasing documents or in the Specific conditions, these General Conditions shall be valid by an indeterminate period of time, counted from the date of commencement of the relationship between the parties. The relation between Embraco and the supplier may be terminated at any time, without cause, (a) by consensus of the parties, (b) by written notification from one party to the other with the minimum advance provided for in the purchasing documents or under Specific Conditions, as appropriate, or, if there is no express forecast, with a minimum advance of 30 (thirty) days (this period hereinafter referred to as "Phase-out"). During the Phase-out period, the parties agree that they will cooperate and make every effort to minimize the adverse effects of termination. All terms and conditions of these General Conditions as well as the trading conditions stipulated in the Purchase Documents will remain in effect during the Phase-out period. In case the Supplier informs the partial or total discontinuance of the supply or services in relation to Embraco the notice period must be 180 (one hundred and eighty) days. Furthermore, the relation between Embraco and the Supplier may be terminated at any time, with cause, in the following cases: (a) failure to comply with any obligation arising from these General Conditions or the Purchasing Documents and Specific Conditions, if such situation lasts for 15 (fifteen) days from the receipt of notification in that case from the injured party; (b) statement of protest of executive titles of responsibility of the Supplier or filing of executive action; (c) bankruptcy, judicial liquidation, out-of-court liquidation or judicial or extrajudicial recovery, demanded, enacted or homologated, of any of the parties or (d) corporate reorganization, which, in the reasoned view of the other party, affects the ability of the party under review to fulfill its obligations. If the termination occurs with cause, the innocent party shall be entitled to receive from the other party any compensation for the losses and damages incurred, without prejudice to other penalties contained in these General Conditions of Supply. Obligations that, by their nature, must survive the termination of the relationship between Embraco and the Supplier, shall remain in force.

24. **ASSIGNMENT:** The Supplier may not assign any of its rights or obligations arising from its relationship with Embraco, except by written approval of Embraco accordingly.

25. **COMPENSATION:** Embraco may discount or otherwise compensate for any amounts owed by the supplier pursuant to these General Conditions of any credits that exist in favor of the Supplier, by simple notification to the same.

26. **SPARE PARTS:** If the supplier's obligations will include the supply of parts or other components for line and spare supply (items contained in the finished products of the Embraco portfolio), the supplier guarantees to remain able to provide to Embraco Spare parts for the period of 10 (ten) years from the last purchase made for the assembly line, event that will be informed by Embraco. The price of spare parts should follow the last purchase price of the material for the assembly line, with readjustments subsequently negotiated based on inflation indicators. In the case of supply of parts for the exclusive use of Embraco (condition to be indicated by Embraco), the Supplier hereby guarantees that the supply of such parts will be made exclusively to Embraco, and the Supplier hereby undertakes not to sell, directly or indirectly, the parts with its mark in the market of spare parts. In the case of an Embraco's exclusive consumption item the Supplier is also obliged not to print its mark on the supplied parts. If requested by Embraco, the supplier shall print the Embraco Supplier registration code on the parts.

26.1. The above provisions shall not apply in the following cases: (i) supply of indirect materials; (ii) services; (iii) MRO and (iv) Logistics.

27. **INVESTMENTS:** The Supplier declares that it has the necessary means to supply the Goods or

Services and also acknowledges that any investment that it may make, any cost or expense incurred by him in acquiring real estate, vehicles, machinery or equipment, and any improvements thereto or any other asset, has been and will be at his sole expense and is part of the risk of Supplier's business activity. The parties hereby agree that the Supplier shall not be entitled to submit any claim against Embraco for the reimbursement of such investments, costs, expenses or improvements, unless previously and expressly agreed in writing by Embraco based on an investment plan approved by both parties.

28. FORTUITOUS OR FORCE MAJEURE CASE: Delay or failure to fulfil the obligations of a party shall not constitute default if it arises from a fortuitous case or force majeure. For the purposes of these general conditions, lack of raw material or strike of Supplier's employees will not be considered events of fortuitous case or force majeure. If the event of a fortuitous case or force majeure lasts for more than thirty (30) days, the injured party may terminate the relationship without any duty of reimbursement.

29. WAIVER: The tolerance of either party in relation to any breach of these General Conditions by the other party shall not constitute any modification, novation or waiver of any right or privilege. Any changes to these General Conditions, Purchasing Document or Specific Conditions will only be valid if formalized in writing between the parties. In the event of a conflict between the General Conditions, the Specific Conditions and the Purchasing Documents, the following documents shall prevail: 1) General Conditions, 2) Specific Conditions and 3) Purchasing Document.

30. APPLICABLE LAW AND FORUM ELECTION: The relationship between Embraco and the Supplier, constituted by the General Conditions, Purchasing Document and Specific Conditions, shall be interpreted and governed by the Brazilian law. The parties elect the forum of the city of Joinville, state of Santa Catarina, to resolve any dispute that is not resolved by a friendly way, with an express renunciation of any other forum, however privileged it may be.

31. SOCIAL RESPONSIBILITY/COMPLIANCE: The parties acknowledge the importance of developing social responsibility practices. In this sense, the parties declare that they act, directly or indirectly, in a socially responsible manner in relation to: (a) values and transparency; (b) Internal public; (c) Environment; (d) suppliers; (e) consumers/customers; (f) community; (g) government and society; (h) non-use of slave, forced, infantile and juvenile labor in its production chain; (i) not employ minors under 16 years of age in any work, except as apprentices, starting at the age of 14 years or minors under 18 years in nocturnal, dangerous or unhealthy activities and respecting all the rules and laws applicable to this matter; (j) treat workers with respect and dignity; (k) meet the minimum remuneration policy required by local law and provide all legally determined benefits; (l) comply with the limits of normal and extra hours established by the law of the country of manufacture; (m) provide a clean, safe and healthy working environment according to the established legal standard; (n) ensure the non-discrimination of its employees, women's rights and respect for diversity; (o) manage their activities responsibly and act proactively in order to identify possible environmental impacts, arising from their activities, and in the improvement of environmental conditions; (p) permanently invest in the development of reliable products and services, which minimize the risks of harm to health, the safety of users and the community in general, as well as the elimination of waste; (q) require that their suppliers, partners and subcontractors also undertake to apply these practices obeying the strictest and rigorous concepts and principles of ethics, morality and good faith in conducting business, to avoid by themselves and/or through of third parties, whether wholly or partially, directly and/or indirectly, relations, contacts and/or commercial partnerships with any types and/or species of agents that by any means or form have participated in illicit commercial activities, including that of unethical competition, disloyal or anti-competitive practices or practices of corruption prohibited by law, which, depending on the activity performed, the parties know or

should know.

31.1. For the execution of the supply or services, neither party may offer, give or undertake to give to whoever it is (physical or legal persons, private or linked to the government), or accept or commit to accept from whoever, both self-employed or through others, any payment, donation, compensation, financial or non-financial advantages or benefits of any kind (including gifts, invitations to events and other benefits) that are intended to obtain any Undue advantage or that constitute unlawful practice or corruption under the laws of any country, either directly or indirectly as to the object of the supply or services, or otherwise unrelated to them, and should also ensure that their collaborators act in the same way.

32. ANTI-CORRUPTION LEGISLATION: The supplier expressly declares and ensures to Embraco that, currently and, as of this date, in the preceding five years:

- (i) It has not infringed or infringes devices of the clean Company Law (Law No. 12.846/13), anti-corruption legislation and related legislation;
- (ii) It is aware that has never acted and will not act in disagreement with the provisions of any similar foreign law (such as, but not limited to, the Foreign Corrupt Practices Act – FCPA - the United States of America; the UK Bribery Act - UKBA - of the United Kingdom) in any aspect;
- (iii) That a fine or penalty for subpart or other alleged activity related to corruption was not assessed, convicted or was absent; and
- (iv) That was not and is not under investigation by any governmental authority on the possible violation of anti-corruption laws or related legislation.

32.1. The Supplier further declares and ensures that it accepts and undertakes to comply, in an unrestricted manner, with the provisions of the Embraco Supplier Code of Conduct, as well as:

- (i) presents itself and will remain for the entire duration of its relationship with Embraco in accordance with all applicable laws, regulations and administrative regulations applicable to its business;
- (ii) It has not tampered or will tamper any invoices, receipts, service descriptions, expense documentation, reports, statements, books and any other records that it owns, or submits, or gives access to Embraco, which must be true and accurate and accurately describe the subject matter of the supply or service, as well as the nature and destination of the expenses or payments made and shall include any information that Embraco may require, in order to prepare its own books and records;
- (iii) it has not practiced or will practice any harmful acts to the public, national or foreign administration, as defined in article 5 of the Clean Company Law;
- (iv) none of its members, associates, directors or employees are a Governmental Authority or has a direct relation of family with Governmental Authority (any collaborator member of: federal, national, supranational, state, municipal or other similar government; or any other body exercising any statutory, administrative, executive, judicial or other authority or power of attorney, or any other body having statutory, administrative, judicial or administrative authority, including its divisions, agencies, departments, legislative, police, regulatory or fiscal; candidates for public roles or politicians' peers; any person acting on behalf of any such institution);
- (v) it does not use resources from illegal sources or, in any form, prohibited or in disagreement with the current legislation in the conduct of its business;
- (vi) it has not performed and will not undertake, authorize, offer or promise to make any payment or transfer of any item of value, in cash or goods, or of any advantage, direct, indirect or through a third party, to any public agent, official, employee and/or other representative of a governmental authority (as defined below), including employees of a government-controlled entity, public international organization, and any pair of the political or candidate for public office or, exclusively in the case of the following item (d), to any other person, with the purpose of: (a) influencing that person to take any action or decision or to omit the taking of any action as part of

his/her duties; (b) induce such a person to make his/her influence before a governmental authority to affect any action or decision of this governmental authority (including with regard to decisions on public procurement processes); (c) obtain or retain business in favor of the supplier or guarantee any undue advantage or to obtain or retain an advantage in conducting the business with any governmental authority (e.g. tax charges below that permitted by law); and/or (d) induce any person who performs any function of a public and/or governmental nature (jointly, a "Relevant Function") to perform this relevant function inappropriately, remunerating any person for any improper realization or with the knowledge and/or conviction that the person's acceptance of any financial advantage and/or another advantage would be inappropriate.

32.2. The supplier shall inform Embraco in writing and at least 10 (ten) days in advance if he or any of his members intend to become a governmental authority, and in this case Embraco may terminate, in full, the relationship with the Supplier. As from the date (and including this date) in which Embraco exercises its right of withdrawal pursuant to this paragraph, Supplier shall not be entitled to any additional fee or other payment, since such termination shall not affect the right of the Supplier to receive the amounts related to services already provided before the date of termination or to the extent provided by applicable law.

32.3. In the event that the Supplier discovers, verifies or merely suspects a failure to comply with any declaration or warranty pursuant to this instrument or the occurrence of any act described above, or that occurred in the five years prior to the present date, it shall immediately inform Embraco so that the degree of damage to the relationship between the Parties is assessed and, based on the information gathered, a self-report is made to the competent Public Authority and the full cooperation of the Parties is carried out for the determination of the infractions, under the terms of Law no. 12.846/13.

32.4. In the event that the Supplier does not correctly comply or disobeys any of its declarations and warranties contained in these General Conditions, this instrument shall be considered null and void as of the date of noncompliance.

32.5. Without prejudice to the other provisions set forth in these General Conditions of Supply, in the event of breach by the Supplier of any provision regarding clauses dealing with anti-corruption laws and regulations, including but not limited to the provisions of these General Conditions, the Supplier undertakes to indemnify, without limitation, Embraco and its respective officers, directors, employees, agents and clients, of fees and legal costs (including research expenses) that may be incurred by them as a result of any breach, irrespective of prior administrative, arbitral, and arbitration award, and any damages, losses, penalties, loss of profits, costs and expenses or judicial decision.

32.6. If there is any exception to the fulfilment of the items (i) to (v) provided for in clause 31.1 above, the supplier shall immediately inform Embraco.

32.7. Embraco may at any time request the Supplier to be in compliance with its declarations and warranties established in these General Conditions, including as a condition of payment of any value to the Supplier related to supply or services. Embraco may refuse any payment if it has found fear that any statement or warranties provided by the Supplier are inaccurate or false. Also, Embraco may request risk analysis from its supplier, including imputing the costs of the analysis.

32.8. If there is any evidence (through disclosure in general media or another source of information) of the supplier being non compliant with the applicable laws or obligations arising from these General Conditions, Embraco (or third party indicated by it) may conduct an audit in the

supplier, in its documents (such as, but not limited to invoices, receipts, expenses and vouchers for reimbursement) and as far as necessary to verify if the potential breach is related to the object of the supply or services. The Supplier shall cooperate in any revision, inspection or audit, providing all the information requested by Embraco (or a third party indicated by it).

32.9. If any failure by the Supplier to comply with clause 31.8 is verified through audit, it shall bear the costs related to the audit performed, reimbursing Embraco if necessary. In the event that non-compliance is not verified, Embraco will bear the respective auditing costs.

32.10. Without prejudice to the other provisions provided for in these General Conditions, in the event of breach by the Supplier of any provision regarding clauses dealing with anti-corruption laws and regulations, (i) Embraco shall have the right to terminate the supply or services immediately for just cause and without any liens or penalties for it, by means of simple communication; (ii) Embraco may suspend payments to the Supplier until it becomes clear that no violation has occurred at Embraco's reasonable discretion.

32.11. The Supplier shall be subject to a non-compensatory fine that may not be less than the percentage of 5% (five percent) that shall be calculated on the total value of each supply or service rendered by the Supplier in favor of Embraco in cases of:

- a) total or partial shutdown of the development and/or supply or rendering of services, of the Supplier's responsibility;
- b) violation of Embraco's procedures and safety, hygiene and environmental standards and/or any other internal standard and/or specific legislation;
- c) breach of an obligation exclusively by the Supplier, not regularized by the Supplier within ten (10) days from the filing by Embraco or within a period agreed upon by the Parties.

33. INSTALLATION CHANGE: Changes in the manufacturing plant and/or place of manufacture of the goods and alteration in the CNPJ (National Registry of Legal Entities) that may be promoted by the Supplier shall be communicated in writing to Embraco at least three (03) months in advance. The supplier must ensure supplies throughout the period of change and certification of items.

34. OTHER STATEMENTS: The Supplier states: (i) it has been duly advised by a trained professional to identify and understand the content of the clauses of this instrument and other documents and (ii) know the applicable legal rules.

34.1. The supplier declares that it has taken full knowledge of the conditions of the location where the deliveries will be performed or the service provided, that he has analyzed all information and technical specifications provided by Embraco and that it is aware of the degree of difficulty that will face for the execution of supplies or services, and may not claim ignorance of any fact or condition that may compromise the fulfillment of the obligations provided in these General Conditions and other Purchasing Document.

34. REGISTRY: These General Conditions are registered at the Register of Deeds and Documents and Legal Entities of Joinville (Cartório de Registro Civil, Títulos e Documentos e Pessoas Jurídicas de Joinville), under the registration number 255811, Book B-914 – Page 146V.

Regards,

Giselle Guimarães Turrini Carvalo da Silva
Procurement Manager