

Movement by Perfection



The Royal League in ventilation, control and drive technology

General Terms and Conditions of Purchase

September 2017

Please note that this is an English translation of the original Brazilian version. Both language versions shall have the same legal effect. In case of any conflict, the original Brazilian version shall prevail.



Content

§ 1 General – Application	3
§ 2 Orders	3
§ 3 Prices, Shipment, Packaging, International Transport, International Trade Control	3
§ 4 Export Control and Customs, Supplier Declarations, Certificates of Origin	4
§ 5 Reporting Obligations Conflict Minerals	5
§ 6 Invoicing and Payment	5
§ 7 Delivery Dates, Delay in Delivery, Force Majeure	5
§ 8 Liability for Defects and Guarantee/Warranty, Dealer Issues	6
§ 9 Quality, Product Liability	7
§ 10 Property Rights	7
§ 11 Social Responsibility and Environmental Protection, Behaviour Codex, Compliance with the Minimum Wage Act by the Suppliers	7
§ 12 Final Provisions	7

General Terms and Conditions of Purchase of ZIEHL-ABEGG do Brasil Imp.

§ 1 General – Application

1. Only our General Terms and Conditions of Purchase will be applied. If the terms and conditions of the Supplier (hereinafter called Supplier or Seller or Contractor) are contrary to or divergent from our Terms and Conditions of Purchase, they will not be recognized by ZIEHL-ABEGG (hereinafter also referred to as the Buyer or Customer), unless ZIEHL-ABEGG has expressly agreed to the application of the Supplier's terms and conditions. These Terms and Conditions of Purchase will also apply when the Supplier's delivery is accepted unreservedly by ZIEHL-ABEGG, and there is no acknowledgment of the Supplier's terms and conditions that are contrary to or inconsistent with our Terms and Conditions of Purchase.
2. The Terms and Conditions of Purchase also apply to all future transactions with the Supplier.
3. These Terms and Conditions of Purchase apply exclusively to legal relationships between companies, according to the Civil Code, not submitting to the provisions of the Consumer's Protection Law and Code (Law No. 8.078 of September 11, 1990).

§ 2 Orders

1. Applications will only be validated when done in writing, fax or email. Every order made must be confirmed by an order confirmation - issued by the Supplier, except when there is an explicit agreement on the withdrawal of order confirmation. When ZIEHL-ABEGG does not receive the aforementioned order confirmation within fourteen days from the date of order, ZIEHL-ABEGG reserves the right to cancel the order without any commitment.
2. ZIEHL-ABEGG shall retain the property right and copyrights of all numbers, drawings, calculations and other documents; and they cannot not be accessed by third parties without our explicit consent. They cannot be used exclusively for production based on our request; after the order is executed, they must be automatically returned to ZIEHL-ABEGG and must be kept secret from third parties. No right of retention of such documentation shall be recognized by Seller.
3. All prices quoted by the Supplier will not generate any cost and / or expense for ZIEHL-ABEGG.
4. The Supplier shall be required to maintain the confidentiality

of all commercial and industrial secrets of ZIEHL-ABEGG, so it shall also include all documents made available to the Supplier by ZIEHL-ABEGG, as well as other information that is object of communication. The obligation of secrecy will also apply after the execution of these Terms and Conditions of Purchase and of a contract that will be signed. This obligation should be extended to any contractor and subcontractor. If the Supplier establishes that a confidential information item was purchased by an unauthorized third party or that a confidential document was disclosed, it shall immediately notify ZIEHL-ABEGG in writing. The Supplier must finally be obliged to treat the contract itself as confidential; references may only be nominated with our prior written consent.

5. ZIEHL-ABEGG may request changes in the delivery, without incurring any additional cost, as this is known to the Seller. If ZIEHL-ABEGG requires another kind of change, the Supplier must inform ZIEHL-ABEGG that it can only be charged if the additional cost is accepted.

§ 3 Prices, Shipment, Packaging, International Transport, International Trade Control

1. The agreed prices are fixed and cannot be subjected to any additional taxes unilaterally by the Supplier. When the prices are not specified in the order, these must be indicated by the Supplier at the confirmation of the order and will have a binding effect. In this case, the purchase will only be concluded when there has been an express acceptance of the amounts by ZIEHL-ABEGG.
2. These prices shall include the costs of packaging and transport to the address indicated by ZIEHL-ABEGG, as well as the costs incurred in complying with the customs requirements. Delivery is to be made in the DDP („DELIVERY DUTY PAID“) mode provided for in Incoterms 2010 (International Commercial Terms), effective as of January 1, 2011, that is, the Supplier shall bear all costs and expenses, including taxes, up to the final place of delivery to be defined by ZIEHL-ABEGG.
3. Our order number must be indicated on the shipping guides, sea bill of lading, tax documents, invoices and all our correspondence. ZIEHL-ABEGG will only be able to process invoices that have the order number indicated, in addition to any other explicitly requested information. The Supplier shall be liable for all consequences arising from failure to comply with this obligation, unless he is able to prove that he was not liable for such noncompliance.

4. A specific time for delivery should be established. Deliveries that exceed or do not reach the quantity specified in the order will only be received when previously agreed in writing by ZIEHL-ABEGG.
5. The shipment must occur at the sole risk of the Supplier, who will be responsible for any damage that may be caused to the merchandise, even in the event of a fortuitous event or force majeure, ceasing responsibility when delivering the goods, in perfect conditions, in the place indicated by ZIEHL-ABEGG.
6. The obligation of the Supplier to pack the products must follow the rules in force. Products must be packed in such a way as to avoid damage to traffic. Packaging materials should only be used to the extent necessary to achieve this. Only environmentally sustainable packaging and packing materials that do not adversely affect recycling may be used. In cases where ZIEHL-ABEGG agrees to the separate collection of the packaging, it will have the right to return the packaging to the Supplier, who shall bear the transport costs, unless otherwise agreed between the parties.
7. An invoice or equivalent document must accompany each delivery to be made. The invoice must comply with the requirements set forth in the legislation and must also contain the serial number provided by ZIEHL-ABEGG.
8. In the case of international shipping, the necessary documents must be issued for the entry of the goods into the national territory, and the Supplier must also comply with the customs requirements for the shipment of the goods, including packaging, provision of information to Customs and Compliance with all ancillary obligations.
9. If there are agreements between the country of destination to which the goods are to be delivered and the country in which the Supplier relies on preferential treatment in terms of trade or customs duties (the „trade agreement“), the Seller shall be required to cooperate with the Buyer by examining the eligibility of the goods for special benefit programs in order so the Buyer may provide the necessary documentation (such as the EUR1 Certificate, the preferential certificate of origin, the ADF, the NAFTA Certificate of Origin or other certificates of origin), in accordance with the relevant preferential customs treatment program (eg EEA, Lomé Convention, EU / Mediterranean Partnerships, GSP, EU-Mexico Free Trade Agreement, NAFTA, etc.) to allow goods to enter the destination country freely or subject to preferential treatment. Likewise, where there is a trade agreement or preferential customs treatment program that is applicable to the purchase of the order, the Buyer shall be entitled at any time during its execution, the Seller by its turn, shall be required to provide support to the Buyer in its efforts to accomplish such benefits, including the value of any counter-trade resulting from the

order or compensation, and the Seller shall recognize that such benefits and preferential treatment shall be attributed only to the Buyer. The Supplier shall be required to indemnify the Buyer for any costs, penalties, contractual penalties or charges resulting from Supplier's incorrect documentation or failure on the Supplier's part to cooperate in a timely manner. The Seller shall be required to immediately notify the Buyer of any mistakes that may exist in the documentation.

10. If it is required by the Brazilian rules, the Supplier, who shall observe the requirements and requests for the nationalization of goods brought from abroad, specially to make available to the customs authorities, the data pertinent to customs clearance in a timely manner, shall comply with all tax and customs obligations.
11. All transactions within the scope of delivery relationships must always meet the requirements of valid export control laws and guidelines.

§ 4 Export Control and Customs, Supplier Declarations, Certificates of Origin

1. The Supplier is obliged to inform us of any obligation to approve (re) export of its goods in accordance with the export and customs regulations of the country of origin of its goods and commercial documents. For this, the Supplier must provide the following information at least in their quotes, order confirmations and invoices for the goods items in question:
 - The export note number in accordance with appendix AL to the German Foreign Trade Guidelines or comparable items of the relevant export lists,
 - For US products the Export Control Classification Number (ECCN) according to the US Export Administration Regulations (EAR),
 - The commercial-political origin of the goods and the components thereof, including technology and software,
 - If the goods are transported through the USA, manufactured or stored in the USA or manufactured with the aid of North American technology,
 - The number of statistical goods (HS code) of the goods, as well as
 - A contact in your company to clarify any doubts we may have.

Upon demand, the Supplier will be required to notify us in writing of all other foreign trade data of its goods and components and to inform us immediately in writing (before delivery of the affected goods accordingly) of all changes of the above data. In addition, in the case of any export license, the Supplier shall provide a copy of such document to ZIEHL-ABEGG, showing all relevant delivery information, including any conditions, which ZIEHL-ABEGG



must comply with, for not limited to cases of re-export. Any information or condition that is the obligation of compliance of ZIEHL-ABEGG can be placed in that copy.

2. Supplier Information, Preferential

An essential part of the contracts originated in these Terms and Conditions of Purchase is the obligation to send long-term delivery declarations for goods with a preferential origin property according to the EC version valid at the time of delivery. The Supplier shall also provide certificates of origin as well as any other documents / data in accordance with the foreign trade specifications on demand. If the long-term delivery declarations prove to be inadequate in their information or incorrect, the Supplier will be required to provide us with additional information on the origin of the products

3. If ZIEHL-ABEGG or its customers are sued by a customs authority, due to errors in the declarations provided by the Supplier, including causing any financial disadvantage, the Supplier shall be solely responsible for the damages caused, whether by intent or by fault.
4. The Supplier shall be responsible for obtaining all necessary governmental licenses, authorizations, approvals and exports authorizations for the delivery to be ensured and that all goods to be delivered may be used by ZIEHL-ABEGG according to the purchase order and that all deliveries can be made in due time.

§ 5 Reporting Obligations – Conflicting Minerals

The Supplier undertakes to comply with the respective regulations approved by the Securities and Exchange Commission (SEC) regarding the conflicting minerals. The Supplier must research compliance regulations that are defined in the Final Mining Conflict Rule on the SEC's Web site at <http://www.sec.gov/rules/final.shtml> or <http://www.sec.gov / News /press/2012/2012-163.htm>.

The Supplier shall schedule resulting obligations and reporting measures directly to us in a timely manner.

As far as possible, the Supplier undertakes to comply with environmental management requirements, which restrict the use of certain substances or require them to be registered (see, but not limited to, REACH Regulation (EC) No .01907 / 2006 and RoHS-Directive 2011/65 / EU (RoHS2) in force). If, due to the above regulations, certain changes are required in the availability or intended use of the relevant materials, components, assemblies, finished products, packaging of goods or certain actions that must be performed by us, the Supplier shall inform ZIEHL-ABEGG about this immediately.

In case of failure to do so or if the information is incorrect, the Supplier shall indemnify ZIEHL-ABEGG for third-party claims and compensate us for any damages suffered.

§ 6 Invoicing and Payment

1. Supplier shall send invoices in paperless form with the appropriate documents in pdf format after delivery to the following e-mail address: invoice@ziehl-abegg.com.br Alternatively, the invoices must be sent to us in a single A4 copy. All invoices must be sent, without exception, to the invoice address at (confirm the address of the invoice submission).

The invoice sent by fax will not be processed. Make sure that the invoices contain all the information required by law, as well as our order number and supplier. Invoices sent incorrectly will not be processed and will not generate the payment obligation by ZIEHL-ABEGG. If a delivery is made before the agreed term, ZIEHL-ABEGG reserves the right to make payment until the agreed due date for settlement.

2. The payment shall be agreed between the parties and shall contain the purchase order.
3. Insofar as it is agreed to provide the materials test certificates or other documents, they will be an essential part of the delivery and must be sent together with the invoice.
4. We will maintain the right of compensation and retention to the extent that legal provisions are foreseen.

§ 7 Delivery Dates, Delay in Delivery, Force Majeure

1. The delivery date must be specified in the purchase order.
2. The Supplier is obliged to inform us immediately, in writing, of any supervening circumstances that may affect the agreed delivery date, and shall also estimate the probable duration of the delay.
3. In the event of any delay in delivery, ZIEHL-ABEGG has the right to demand compensation in lieu of the obligation to deliver the goods. ZIEHL-ABEGG shall also be entitled, in the event of default, to terminate the agreement in its sole discretion, including when it identifies the Supplier's risk of non-performance of the contract. All additional costs incurred for the express delivery required to meet the delivery dates must be met by the Supplier.
4. In the event of a delay in delivery, ZIEHL-ABEGG shall be entitled to impose a contractual penalty of 0.2% of the total net value of the order per business day of delay up to a maximum of 8% of the total net value of the order.

ZIEHL-ABEGG may also apply the contractual penalty until the final invoice is issued. Any claim for compensation for noncompliance must be compensated with the contractual penalty.

5. The Supplier shall only have the right to oppose the application of the penalties if it proves that there was no delay due to his fault or that it has not complied with its obligations within a reasonable period of tolerance.
6. In case of fortuitous or force majeure events, ZIEHL-ABEGG will be exempt from fulfilling its obligations for the period of the disorder and the extent of its participation.

ZIEHL-ABEGG will be totally or partially released from the obligation to accept the delivery and / or execution of the service, and may terminate the contract if the delay due to unforeseeable circumstances or force majeure causes it financial and / or operational inconvenience.

7. ZIEHL-ABEGG will only accept a partial delivery by prior written agreement. In the case of agreed partial shipments, the remaining quantity shall be listed and the remaining delivery date specified.

§ 8 Liabilities for Defects and Guarantee/Warranty, Dealer Issues

1. The Supplier guarantees that the manufacture of any product to be supplied as well as the implementation of all service runs comply with state-of-the-art technology, relevant legal provisions, authorities' rules and regulations, health and safety standards and applicable technical standards. In case of deviations from these regulations, in special cases, the Supplier must obtain the written consent of ZIEHL-ABEGG before supplying the products.

The Supplier's liability for these deliveries shall not be excluded or limited by this consent, by any other approvals or other statements from our part. When the Supplier has reservations about the kind of manufacture for a supplied goods or the execution of a delivery provided by ZIEHL-ABEGG, it shall immediately notify ZIEHL-ABEGG in writing. The applicable prescription and decree periods are those provided for in the Civil Code, except for the guarantee, which must comply with the deadline established by the manufacturer. The rules set forth in these Terms and Conditions of Purchase shall prevail over any other General Terms and Conditions of Purchase. If the manufacturer's warranty period is shorter than the statute of limitation or decree provided for in the Civil Code, the legal term shall prevail. If the manufacturer's warranty period exceeds the limitation period or decree provided for in the Civil Code, the warranty period shall prevail.

2. The Supplier undertakes to use its financial and technical resources for environmentally sustainable products and procedures for its deliveries and services, as well as for additional supplies or services rendered by third parties. The Supplier shall be responsible for the environmental compatibility of delivered products and packaged materials and for all damages resulting from faulty failure to comply with its legal disposal obligations. The Supplier shall issue a certificate of inspection for the goods delivered at our request.
3. No inspection of the goods delivered shall be performed unilaterally by the Supplier, and any inspection shall be carried out jointly. The Supplier shall ensure that his liability insurance accepts such a change in the legal provisions of liability without prejudice to the existing coverage offered by his civil liability insurance. Whenever requested by ZIEHL-ABEGG, the Supplier shall immediately present a certification for this purpose from its insurers.
4. If ZIEHL-ABEGG identifies any defect in the goods delivered, it will notify the Supplier and, in its discretion, may request that such defect be remedied or that the defective goods be exchanged for new goods; This also applies in the case of hired labor. You should explicitly reserve the right to claim compensation to compensate the execution.
5. Whenever the Supplier fails to comply with its obligation to comply with a reasonable timeframe established by ZIEHL-ABEGG, ZIEHL-ABEGG shall be entitled to take the necessary measures and collect the Supplier's reimbursement - without prejudice to additional liability for existing defects - or to provide the execution by third parties. ZIEHL-ABEGG must also have the right to eliminate defects, in case of imminent danger or special urgency, and collect the Supplier's reimbursement.

The limitation period for claims related to material defects must be of 36 months, calculated from the transfer of risk. In the case of spare parts, the limitation period for claims relating to material defects must be of 36 months from installation or shipment, but must come to an end no later than 4 years after the transfer of risk. Complaints due to defects in a building or items that were or are usually used in it, and caused its lack of protection, have a 5-year prescription period after delivery.

In relation to the limitation periods and decadence provided for in the Civil Code, they do not overlap with the terms provided in these General Terms and Conditions of Purchase.

6. For improved parts or for replacement delivery, the limitation period for claims regarding material defects should begin as follows; If acceptance has been agreed, the limitation period should begin again from acceptance.



7. The Contractor shall bear the costs and risks involved in the return of defective items, as well as the costs incurred by the Client due to his / her disability (in particular costs of processing, transportation, infrastructure, labor, personnel, materials, etc.).
8. If the product is supplied by a reseller, ZIEHL-ABEGG can activate it and / or the manufacturer in case of defect. If the Contractor is qualified as a reseller and not as a manufacturer, the Contractor shall immediately inform ZIEHL-ABEGG. The following also applies:
 - a. The Contractor guarantees that the Customer is warranted in respect of its own warranty and other rights based on defect (material and legal defects) of the subject matter of the contract as if the Customer had ordered directly from the manufacturer and the legal rights are relevant.
 - b. The Contractor shall deliver its claims against the manufacturer (s) based on defect (material and legal defects) of the subject matter of the contract so the Customer may assist him.
2. The Supplier shall indemnify ZIEHL-ABEGG, as well as ZIEHL-ABEGG's customers, with respect to claims of third parties resulting from any breaches of property rights, at the first request and shall also bear all costs and expenses arising from such breach.
3. ZIEHL-ABEGG shall be entitled to charge the Supplier for expenses to obtain permission to use its delivery items and services from its rightful owners.
4. The limitation period for claims related to trademark defects must be of 5 years from the transfer of risk.

§ 9 Quality, Liability of the Product

1. The Supplier shall implement the latest generation quality assurance appropriated to the kind and scope (appropriate quality management system, eg DIN EN ISO 9000 ff) and provide ZIEHL-ABEGG with quality assurance and / or certification. The Supplier shall additionally enter into a quality assurance agreement with ZIEHL-ABEGG as required. ZIEHL-ABEGG reserves the right to conduct on-site testing to verify the effectiveness of the quality management system.
2. When the Supplier is responsible for a defect in the product, it will be obliged, after the first indemnity, to indemnify ZIEHL-ABEGG in relation to claims of third parties for indemnification in which the cause can be attributed to its own sphere of administration or organization and where the Supplier is responsible or responsible to third parties. In its responsibility for damages caused to third parties, the Supplier is also required to reimburse all expenses incurred by ZIEHL-ABEGG or in connection with a recall campaign. ZIEHL-ABEGG will inform the Supplier of the content and extent of such recall measures as far as possible - and should offer you the opportunity to comment on this. All other legal claims will not be affected.

§ 10 Property Rights

1. The Supplier guarantees that all deliveries are free from infringements of third party property rights and the goods delivered do not infringe patents, licenses or other proprietary rights of third parties.

§ 11 Social Responsibility and Environmental Protection, Behavior Codex, Compliance with the Minimum Wage Act by the Suppliers

1. The Supplier shall be required to comply with the applicable national laws and regulations for the supply of products and / or services.
The Supplier shall undertake to comply with the protection of human rights, the observance of working standards, the rejection of discrimination and the work of minors and / or slave persons during the manufacture of products and the provision of services and avoid any harmful effects to man and his environment during the execution of his activities. Supplier states that it will not tolerate or engage, directly or indirectly, in any form of corruption and bribery
The Supplier shall refrain from giving gifts to personnel employed by ZIEHL-ABEGG. Conventional gifts or smaller-value invitations are an exception to this rule. This applies not only to the transactions between the Supplier and ZIEHL-ABEGG, but also to other trading partners (own supply chain, intermediaries, employees, competitors and public authorities).
2. The Supplier undertakes to bear all the tax, social and social security charges related to the employees who perform the services to ZIEHL-ABEGG, and shall, whenever requested, prove that it complies strictly with the applicable legislation and its obligations, under penalty of not doing so, justify the termination of this agreement. In addition, the Supplier shall indemnify ZIEHL-ABEGG for any and all damages and / or losses arising from breach of such obligations.

§ 12 Final Provisions

1. Nothing in these General Terms and Conditions of Purchase shall be construed so as to place the parties in relation to members, associates, consortiums, free lease agreement, joint ventures, employment or joint and several liability, as well as neither party shall have the right to provide a guarantee or make any declaration on behalf of the other, unless prior and express consent is given.

2. As a result of the formalization and execution of these General Terms and Conditions of Purchase, neither party shall be authorized to contract obligations on behalf of the other party or to provide security on behalf of others, and each party shall be unilaterally responsible for the compliance with their own obligations, including financial, social, fiscal, labor, tax and / or social security obligations, without joint and several liability.
3. Each party shall bear its respective tax burden, arising from the execution of these General Terms and Conditions of Purchase, and the withholding of taxes and / or contributions is hereby authorized, subject to compliance with the legal limits.
4. In the event Ziehl-Abegg is sued to bear an obligation for the Client, either during the term of these General Terms and Conditions of Purchase, or after the termination of the legal relationship, Ziehl-Abegg will be subrogated in the right to demand that the Supplier comply with its obligation, without prejudice to claim compensation for the respective damages, including all expenses incurred for the defense of their respective interests, including in relation to the constitution of a lawyer, if necessary.
5. The present General Terms and Conditions of Purchase being the complete agreement between the parties, substituting any other agreement or discussion, oral or in writing, and cannot be changed unless in writing and with the consent of the parties, and the legal transaction here be governed and interpreted in accordance with the Brazilian Civil Code.
6. Ziehl-Abegg reserves the right to unilaterally change these General Terms and Conditions of Purchase, if necessary, but has to notify the Supplier of the changed items.
7. These General Terms and Conditions of Purchase were prepared and agreed in accordance with good contractual faith, and the parties involved are always obliged to make it firm, good and valuable.
8. Neither party may transfer or assign, in whole or in part, any rights and / or obligations contained in this agreement, except in the event of the express consent of the other party.
9. In the event that any of the parties is subject to a corporate or equity restructuring, by splitting, merging, disposing of assets, it is immediately adjusted that this agreement will be extended and the company resulting from such a process will fully assume the Obligations of these General Terms and Conditions of Purchase.
10. In the event that the Supplier obtains judicial reorganization or is also declared bankrupt, ZIEHL-ABEGG may, in its sole discretion, terminate the legal relationship, including when there is evidence of insolvency by the Supplier.
11. Anyone failing to demand, at any time, compliance with any of the clauses or conditions of these General Terms and Conditions of Purchase, the impaired party shall not be prevented from doing so when it sees fit to cause the defaulting party to comply strictly with all contractual terms now agreed.
12. In the event that either party tolerates any breach of the obligations hereunder, it does not imply in any way that the other party has been expressly or impliedly released from its obligations and that the infringed device has not been canceled.
13. Any disputes arising out of or relating to these General Terms and Conditions may be notified by one party to the other, and the parties undertake to use their best efforts to resolve them amicably by means of direct negotiations maintained in good faith, in ten (10) calendar days.
14. Any notice or other communication from one party to the other, regarding the duties and rights contained in this agreement, must be made in writing and in Portuguese, by electronic correspondence, facsimile, letter or any other mediation, if there is a formal proof of receipt, to the addresses mentioned in the preamble of this instrument, or to the addresses they expressly indicate, and may also be used to communicate the changes that may be made by Ziehl-Abegg to these General Terms and Conditions of Purchase.
15. The PARTIES declare that they have read all clauses printed in these General Terms and Conditions of Purchase, mainly regarding the rights and duties of each party, and are even assisted by their respective lawyers, and consequently there is no vice of consent or any mistake that damage the object.
16. The PARTIES elect as a contractual forum that of the Comarca de Cajamar / SP, expressly renouncing any other, however privileged it may be, to resolve the questions arising from the interpretation and execution of these General Terms and Conditions of Purchase.



The Royal League

