

GENERAL PURCHASING CONDITIONS - SUPPLY OF MATERIALS

This document is an adjusted agreement between MAGNESITA REFRAATÓRIOS S.A. and/or MAGNESITA MINERAÇÃO S.A. (in accordance with the Purchase Order) ("MAGNESITA") and its SERVICE PROVIDER. (in accordance with the Purchase Order) ("MAGNESITA") and its SUPPLIER. Therefore, these General Conditions of Purchase are accepted by SUPPLIER without reservations, for all legal purposes.

1- SUPPLIER OBLIGATIONS

- 1.1 The SUPPLIER undertakes to comply with the following when it meets the purchase order:
 - 1.1.1 Carry out the supply of the object of the PURCHASE ORDER with full compliance with the provisions of this instrument, according to the technical specifications in strict accordance with the provisions of the applicable legislation, responding directly for its quality and adequacy.
 - 1.1.2 be liable for any indemnity due as a result of damages and/or damages caused by his / her action, or of his employees, as well as for the payment of any charges due as a result of nonobservance or violation of legal provisions, regulations or positions applicable in the execution of this contract;
 - 1.1.3 Mention the number of the PURCHASE ORDER in all related documents, such as: Invoices, Bill of Sales, Shipment / Dispatch Confirmations, Receipts of Signals or Intermediate Installments and Correspondence.
 - 1.1.4 Invoices and Invoices shall be issued in the name of MAGNESITA REFRAATÓRIOS S.A., including the address, CNPJ and State Registration number indicated, the applicable tax withholdings, the tax classification of the product / material / equipment, any divergence or failure to comply with this agreement will result in non-receipt thereof.
 - 1.1.5 The Invoices and Bill of Sales, referring to a PURCHASE ORDER, may not include materials from other PURCHASE ORDERS.
 - 1.1.6 Do not use drawings, samples or projects, owned by MAGNESITA, in addition to the purposes of the PURCHASE ORDER, being responsible for damages resulting from the disclosure or assignment of such subsidies to third parties, by any means.
 - 1.1.7 Provide the materials / products / equipment contained and labeled in their original factory packaging or marked to allow easy identification. This instruction refers to materials / equipment whose marks and origins are expressed in the PURCHASE ORDER
 - 1.1.8 Be responsible, as the main thank you, for materials / products / equipment that are sub-supplied by another company.
 - 1.1.9 Provide the goods, object of the PURCHASE ORDER, exactly as they were specified, and MAGNESITA REFRAATÓRIOS S.A. does not allow exchanges of marks, nomenclatures or numbers, even if they meet the required requirements, except for the alternatives here expressly mentioned.
 - 1.1.10 The unit values, the subtotals and the total must coincide with those stated in the PURCHASE ORDER. If there are errors in the invoices, these will be canceled and replaced.
 - 1.1.11 Goods must be dispatched in accordance with the terms contained in the PURCHASE ORDER. The means of transport will always be determined in the Purchase Order.
 - 1.1.12 The materials / products / equipment must be accompanied by the Certificate of Warranty, Instruction Manual and Warranty Certificate.

2- RECEIPT AND ACCEPTANCE OF MATERIALS

- 2.1 The reception, quantitative and qualitative of equipment / products / materials, is the sole responsibility of the warehouses of the units to which they are intended. The warehouses may refuse materials whose delivery process does not comply with the standards stipulated herein, as well as when the delivery deadline has expired.

- 2.2 The materials / products / equipment subject to the PURCHASE ORDER are subject to conferences, inspections and tests of final acceptance, to the extent of their complexity, provided that if they are refused, the costs of repackaging and transportation - shall be borne by the SUPPLIER.
- 2.3 When the supply includes assembly by the SUPPLIER itself, MAGNESITA may require the exchange of complete equipment or, in its discretion, of components, if the acceptance tests show manufacturing and/or assembly defects, causing malfunction or in disagreement with the technical specification.
- 2.4 The inspection, when specified in the PURCHASE ORDER, must be requested from MAGNESITA, at least 10 days in advance.
- 2.5 The inspection shall be carried out in accordance with the specifications contained in the PURCHASE ORDER and the drawings provided and new techniques in force and applicable.
- 2.6 When the final inspection is not specified, it is understood that it will be carried out at the destination, upon receipt of the material.
- 2.7 In the event of refusal of materials, either at the time of delivery or later, through the issuance of final reports of acceptance tests or similar documents, the SUPPLIER shall be obliged to withdraw them within ten (10) days after the Notification of Refusal. If there is no time limit of 15 (fifteen) days for the said activity in the PURCHASE ORDER, determination as to the duration of the acceptance / inspection / conference tests.
- 2.8 The technical documentation indispensable for the operation of the product / material / equipment, such as spare parts catalogs, manuals with operating and maintenance instructions, mechanical, hydraulic, pneumatic, electrical and electronic systems, installation instructions, drawings, lists of components of greater wear and consumption, in number of ways established in the PURCHASE ORDER.
- 2.9 If the SUPPLIER anticipates the delivery of the product / material / service, MAGNESITA may accept the advance delivery without the corresponding anticipation of the date of payment or increases in the price or refuse the anticipated receipt. This anticipation must be aligned previously with MAGNESITA.
- 2.10 For FOB freight conditions (free on board) (contracting of the SUPPLIER):
 - 2.10.1 Ensure that the date for collection is carried out (scheduling of the collection must be done directly and only with MAGNESITA - schedules made directly with the carrier will have rejected deliveries and the value of the freight will be reverted to the SUPPLIER);
 - 2.10.2 Ensure that the quantity and materials duly informed at the time of the collection schedule are shipped. Any change / inclusion must be previously aligned with MAGNESITA. If delivered something different, all delivery will be refused and the value of freight reverted to the supplier;
 - 2.10.3 Inform, at the time of collection, the basic data of the merchandise (quantity of volumes, weight, type of packaging, etc.).

3- WARRANTY OF PRODUCTS / MATERIALS / EQUIPMENT ("PRODUCTS")

- 3.1 The SUPPLIER will be responsible for the quality of the PRODUCTS supplied, for the hidden defects, for the vices and for the eviction, replacing them, without any burden to MAGNESITA, of whatever nature, when it presents any defect or does not correspond to the specification contracted, even if such defect is verified after the receipt of the PRODUCTS by MAGNESITA.
- 3.2 The SUPPLIER warrants that every PRODUCT will be supplied without defects of any nature. In the event of any repairs or repairs, the SUPPLIER shall carry them out without charge to MAGNESITA and in accordance with the adjusted deadline, and the SUPPLIER's refusal to repair or replace them, MAGNESITA shall carry out the repair or replacement, the SUPPLIER being responsible for the cost incurred by MAGNESITA, without prejudice to the fines and other applicable sanctions, and MAGNESITA may reimburse these costs with the credits of any payment eventually due by MAGNESITA to the SUPPLIER based on any commercial relationship maintained with the SUPPLIER.
- 3.3 If the guarantee deadlines for the materials ordered are not expressed in the PURCHASE ORDER, the following are fixed:
 - 3.3.1 Thirty-six (36) months for durable goods, upon receipt of materials.

3.3.2 Twelve months (12) months for non-durable goods, upon receipt of materials.

4- PRICES, CONDITIONS AND PAYMENT PROCESSES

- 4.1 Prices are considered fixed and unadjustable, unless expressly stated otherwise, in accordance with readjustment formulas proposed by the SUPPLIER and accepted by MAGNESITA
- 4.2 The payments related to deliveries will be made on the 15th and 30th of each month, or the first subsequent business day, according to the payment condition established in the PURCHASE ORDER, after the receipt by MAGNESITA of the proper collection documentation, by deposit in the current account in name of the SUPPLIER, validating the respective proof of deposits as proof of payment and discharge. Any change of the bank details shall be given a written notice to MAGNESITA with thirty (30) days in advance, under penalty of the deposit to be made in Checking Account previously informed.
- 4.3 In case of delays, errors, failures and/or divergences in the collection documents submitted by the SUPPLIER, the payment period will only start as of the regularization by the SUPPLIER, without any increase in the amounts due. MAGNESITA may also compensate for any and all amounts due to the SUPPLIER with any credits it may have before MAGNESITA, arising from this or any other agreement.
- 4.4 MAGNESITA is not responsible for fines or seizures of materials whose mandatory documents contain failures, defects of fulfillment or omissions of any requirements that motivate fiscal sanctions.
- 4.5 The responsibility of MAGNESITA in the execution of the PURCHASE ORDER is limited to the satisfaction of the price and is extinguished with the payment of the obligation generated thereby.
- 4.6 Failure to comply with any of these General Conditions of Purchase may entail partial or total retention of the payment.
- 4.7 The SUPPLIER hereby expressly waives the right to issue duplicates for the provision of the services contracted herein, provided for in Articles 2 and 20 of Law No. 5,474/68, and is responsible for any loss caused to MAGNESITA by virtue of non-compliance with this agreement.
- 4.8 The issuance of bank vouchers against MAGNESITA is strictly forbidden, and the SUPPLIER is responsible for any loss caused to MAGNESITA by virtue of non-compliance with this agreement.
- 4.9 To the issuers of Electronic Invoice, we request the sending of the transaction's XML, according to current legislation, to the e-mail nfe@magneista.com. We recommend delivering DANFE in two copies. The XML file must contain the order number and its item number, the lack of this information will lead to the refusal of delivery.

5- EXPIRATION DATE

- 5.1 The delivery period shall be counted in consecutive days, from the date on which the PURCHASE ORDER is accepted.
- 5.2 The final delivery date will be considered the date for delivery of the material / equipment / equipment made available within the MAGNESITA premises.
- 5.3 For delays for which reasons are not accepted by MAGNESITA, the SUPPLIER shall suffer a daily fine of 0.2% (two tenths percent) up to the limit of 10% (ten percent), calculated on the gross value of the Invoice.
- 5.3 The following are considered to be FORCE MAJEURE grounds under the legislation to justify and accept delays: strikes, floods, public calamities, embargoes and official blockades, claims and other problems, unrelated to the control of the SUPPLIER, of an unforeseeable and unavoidable nature.
- 5.4 For reasons of force majeure, under the terms of the law, to justify delays in delivery, those caused by action or omission of subcontractors, manufacturing faults, assembly deficiencies and other problems that the SUPPLIER may notably avoid, predict and avoid.
- 5.5 If there is a delay whose reason is not accepted by MAGNESITA, it may opt for cancellation of the order, which should be done upon the communication of non-acceptance of the delay.
- 5.6 If there is any delay, the SUPPLIER must justify, in writing, its reason for MAGNESITA to evaluate it in accordance with the provisions of 5.2, 5.3 and 5.4. If MAGNESITA does not

express its opinion on this delay in the period of 10 (ten) days, from the date of receipt of the justification, it will be considered tacitly accepted.

6- INSPECTION

- 6.1 MAGNESITA will monitor the contracted supply in order to verify that the applicable specifications and all contractual conditions are being observed in its execution. Such monitoring shall be exercised in the exclusive interest of MAGNESITA, not thereby reducing or excluding, under any pretext, the responsibility of the SUPPLIER, including before third parties, for any occurrence of any nature.
- 6.2 The SUPPLIER will allow MAGNESITA, at any time, to examine all sources of information deemed necessary, in a way that allows the perfect monitoring of compliance with any contractual obligation.

7- CONFIDENTIALITY

- 7.1 The SUPPLIER shall be prohibited from providing any information to third parties on the nature or progress of the contracted supply, use of the terms of this Agreement in disclosure or publicity, as well as, disseminate, by any means of communication, all data and any reports related to the technology adopted and the technical documentation involved, except with express written authorization from MAGNESITA.
- 7.2 The SUPPLIER also undertakes, by itself and by third parties related to it, to keep confidential any and all information obtained as a result of this Agreement.
- 7.3 The Parties understand that Confidential Information is any information, whether written or spoken, which: (i) concerns ideas, concepts, research, development, activities, commercial, technical and/or commercial proposal (s) current, and future products, services and know-how to be developed; (II) has been disclosed by one Party to the other Party before, during or after the signature of the Contract; and (III) is a copy, authentic or otherwise, of the items indicated above.
- 7.4 The SUPPLIER declares and agrees that the termination of the Agreement, for any reason, implies the return of any and all documentation relating to confidential information, and in the destruction of any and all files, copies and/or reproductions, in magnetic media or not. This obligation shall be recorded in a written statement to be issued by the SUPPLIER and delivered to MAGNESITA concomitantly with the return of the documentation related to the confidential information.
- 7.5 In the event of failure to comply with this obligation of secrecy and confidentiality, the SUPPLIER shall pay MAGNESITA REFRAATÓRIOS the value corresponding to 30% of the estimated value of the PURCHASE ORDER, without prejudice to the payment of additional indemnity to be determined according to the extent of the losses suffered by MAGNESITA.
- 7.6 The confidentiality obligations provided herein shall survive for a period of two (2) years after the termination of the supply, unless there is written authorization from the other party authorizing its disclosure.

8- INDUSTRIAL PROPERTY RIGHTS

- 8.1 MAGNESITA shall not be liable for infringements committed by its SUPPLIER against the industrial property rights of third parties, and on behalf of the SUPPLIER the payment of indemnities for any reason whatsoever, as well as legal expenses and legal fees arising from the improper use of protected manufacturing processes by such rights.
- 8.2 The SUPPLIER warrants that the method, techniques, software and any and all material used for the supply do not infringe any trademark, patent, copyright, trade secret, industrial design or any other Intellectual and/or Industrial Property rights of any third party, MAGNESITA shall be held harmless from any future dispute with respect to the execution of the supply, and MAGNESITA shall not be liable for liability, whether jointly or severally or in a subsidiary order, and the SUPPLIER may be denounced in any action brought against it. MAGNESITA to indemnify any third party whose rights have been prejudiced, and the provisions of article 125, item III, of the Brazilian Code of Civil Procedure shall apply to this Agreement.

9- ANTI-CORRUPTION PRACTICES

- 9.1 The SUPPLIER, by itself, its employees, partners, administrators, directors, agents or by any third party acting on its behalf, declares to be aware of Law 12.846 / 2013 (Brazilian anti-corruption law), US Foreign Corrupt Practices Act of 1977 ("FCPA"), The UK Bribery Act 2010 and all applicable anti-corruption laws (collectively, the "Anti-Corruption Laws") And the global / international / extraterritorial applicability of these laws. THE SUPPLIER agrees, represents, warrants and agrees to comply with Anti-Corruption Laws and not to cause MAGNESITA, directly or indirectly, to breach such laws.
- 9.2 The SUPPLIER shall not, directly or indirectly, pay, offer, authorize or promise any value or thing of value (such as gifts, donations, travel or entertainment) to any person or organization, including any employee of SUPPLIER or MAGNESITA customers, or to any governmental authority, which includes, but is not limited to, any employee or public servant of any governmental body, publicly or publicly owned entities, international public organizations, political parties, candidates for public office (collectively "Public Authorities") For the purpose of unduly influencing his acts and decisions. SUPPLIER shall take appropriate measures to ensure that its employees, agents, suppliers, directors, officers, employees and representatives (collectively "SUPPLIER'S REPRESENTATIVES") will comply with this clause.
- 9.3 Unless MAGNESITA is informed in writing, the SUPPLIER declares, warrants and undertakes not to have any reason to believe that there is any potential conflict of interest in its relationship with MAGNESITA, and that neither the SUPPLIER nor the SUPPLIER'S Representatives will unduly influence the decision-making of a Public Authority on behalf of MAGNESITA.
- 9.4 Records relating to all payments made by the SUPPLIER or the SUPPLIER'S Representatives in compliance with this Agreement or related thereto shall be kept in their respective books and records, in a complete and accurate manner.
- 9.5 The SUPPLIER shall promptly notify MAGNESITA if the SUPPLIER or any of its Representatives has any reason to believe that (a) a breach of this clause has occurred or may occur, or (b) any potential conflict of interest in the SUPPLIER'S relationship with MAGNESITA arose after the signing of this Agreement.
- 9.6 MAGNESITA will not make any payment it believes in good faith that it will cause the violation of any Anti-Corruption Law by itself, its subsidiaries or subsidiaries. If MAGNESITA understands, in good faith, at any time, that the violation of this clause has occurred or may occur, MAGNESITA may retain any remuneration, reimbursement or other form of payment until MAGNESITA has received the confirmation that it considers satisfactory that no violation has occurred or will occur. MAGNESITA shall not be liable to SUPPLIER for any Loss (as defined below) of any nature related to MAGNESITA'S decision to retain compensation, reimbursement or other payment under this clause.
- 9.7 In case of violation of this clause, MAGNESITA shall have the right to terminate this Agreement, with immediate effect, without any penalty.
- 9.8 The SUPPLIER will indemnify, protect and hold harmless MAGNESITA, its subsidiaries, its subsidiaries, its directors, officers, employees, suppliers, representatives and agents ("Indemnified MAGNESITA") From and against any and all claims, losses, charges, costs, convictions, expenses, whether administrative or legal, (including attorneys' fees) and damages of any kind (collectively, Losses") Arising out of or related to: (a) breach or alleged breach of this Agreement or of a statement, warranty and/or obligation made by the SUPPLIER; (b) any negligence or serious misconduct, or allegations thereof, by the SUPPLIER or by any of the SUPPLIER'S Representatives; and (c) any violation or alleged violation of any Anti-Corruption Law by the SUPPLIER or the SUPPLIER'S Representatives.

10- EXTINCTION EARLY

This AGREEMENT can be terminated by any Party upon written notice to the other Party without any benefit to the Party requesting the Termination, on any claim, indemnity or compensation regarding the Resolution, in relation thereof, in the following events:

- (i) petition or decree of insolvency, judicial or extrajudicial recovery, bankruptcy or liquidation of the other Party;
- (ii) failure to perform any of the obligations by one of the Parties;

- (iii) suspension by the competent authorities of the execution of the PURCHASE ORDER as a result of violation of pertinent legal provisions.
 - (iv) assignment, subcontracting and/or partial or total transfer to third parties of the obligations assumed, or credits arising from the PURCHASE ORDER, without previous and express authorization of MAGNESITA.
- 10.2 If there is a resolution motivated by any of the Parties, it shall be liable for a final fine of 10% (ten percent), based on the estimated total value of the PURCHASE ORDER, restated according to the IGP-M / FGV - General Price Index from the date of the other Party's knowledge of the event generating the resolution, up to the date of the effective payment of said fine, without prejudice to any losses and damages.
- 10.3 In the event that the SUPPLIER gives rise to termination of this agreement, MAGNESITA shall be entitled to terminate any other contracts, purchase orders, sales orders or commercial relations entered into between MAGNESITA and SUPPLIER, in view of the breach of the necessary confidence to maintain of a contractual relationship.

11- FINAL PROVISIONS

- 11.1 The nullity or annulment of any clause of this contract shall not imply nullity or annulment of the other clauses, which shall remain in force, unless expressly annulled by judicial decision.
- 11.2 It is expressly agreed that, should MAGNESITA be notified, summoned, summoned or condemned, due to non-fulfillment at the proper time of any obligation attributable to the SUPPLIER, whether by tax, labor, social security or any other nature, will grant you the right to withhold payment due until the SUPPLIER complies with its obligation, releasing MAGNESITA from any notice, notification, summons or condemnation.
- 11.2.1 The SUPPLIER will reimburse MAGNESITA, regardless of the outcome of the judicial or administrative proceedings, the amount of hours spent by its attorney, especially in the preparation of petitions and the transfer to hearings, and by its attorneys, in addition to judicial expenses and administrative expenses and the cost incurred in producing its evidence, and the remuneration of the attorney and agent of MAGNESITA
- 11.2.2 If MAGNESITA has already released all payments and amounts due to the CONTRACTED PARTY, or if the contract has already been terminated, MAGNESITA may collect these amounts in court, thereby serving as an extrajudicial pursuant to item III of article 784 of the Code of Civil Procedure.
- 11.2.3 If there is still any process under way, under the terms of this clause, upon termination or termination of this agreement, MAGNESITA is expressly authorized to withhold from the value of the last invoice of the SUPPLIER, importance as close as possible to the value of the disputed parcels, regardless of whether MAGNESITA has been convicted. Upon termination of the process, if MAGNESITA is to be convicted, the SUPPLIER shall indemnify MAGNESITA within seven (7) days from the receipt of MAGNESITA's communication accordingly, the total amount of the conviction deducted from the amount already withheld by the MAGNESITA under the terms of this clause. In the event of non-discharge, MAGNESITA shall be entitled to charge such obligations to the SUPPLIER, together with a fine equal to 10% (ten percent) of the obligation, interest of 1% (one percent) per month and monetary correction based on in the positive variation of the IGP-M / FGV index, and this CONTRACT therefore serves as an extrajudicial executive title, pursuant to article 784, item III of the Code of Civil Procedure.
- 11.3 The supply (s) that do not meet the specifications and/or contractual conditions will be refused.
- 11.4 The cases omitted in this General Conditions of Purchase, will be resolved by agreement between MAGNESITA and the SUPPLIER.
- 11.5 The "Conditions of Sale" of the SUPPLIER shall only be valid, insofar as they do not diverge from the conditions of purchase of MAGNESITA hereby expressed.
- 11.6 Under no circumstances shall the subcontracting or assignment authorized by MAGNESITA relieve the SUPPLIER of its responsibilities and obligations assumed herein, maintaining the SUPPLIER fully responsible to MAGNESITA for the acts or omissions made by third parties and resulting from the subcontracting.
- 11.7 MAGNESITA may, at any time, freely assign this Agreement, in whole or in part, to the company that is its affiliate, subsidiary, parent company, subsidiary or under common, direct or indirect control.

11.8 The SUPPLIER declares that it has not been necessary to carry out any extraordinary investment in the regular conduct of its activities, especially for the execution of the fabrications and the Services, with the SUPPLIER counting on the resources available to it on this date, the adjusted prices also contemplate the full reimbursement of any resources allocated or that may be allocated by the SUPPLIER for the full, regular and satisfactory execution of this instrument.

11.9 Any amendment to this particular instrument shall only be valid upon conclusion of additives, which shall automatically be incorporated herein, as soon as it is signed by the parties.

11.10 The SUPPLIER declares that he has read and understood the entire contents of this instrument, which was spontaneously and freely accepted in the primacy of good faith and contractual loyalty, having been subjected to the analysis of qualified professionals and being knowledgeable of the norms applicable to him.

11.11 The SUPPLIER expressly declares to be fully aware of the areas subject to this contract and the conditions peculiar to the execution of the services, and can not, under any pretext and at any time, argue or claim ignorance of them, and any damages may result in an error or extraordinary expenses incurred, in order to comply with the agreement and the execution of this agreement, will not, under any circumstances, be indemnified by MAGNESITA.

11.12 Notifications, communications or information between the Parties shall be made in writing and sent to the address informed in the preamble, unless another has been informed by written notice at least ten (10) days in advance.

11.13 If the Parties have not exercised any right or prerogative under this Agreement, or the applicable laws this shall be a simple liberality and is not a change or novation of the obligations herein set forth, which fulfillment shall be required at any time irrespective the prior communication to the Party.

11.14 Neither Party shall be liable for failure to comply with its contractual obligations as a result of acts of God or force majeure, in accordance with the sole paragraph of article 393 of the Civil Code and must, therefore, give a notice of the occurrence of such fact immediately to the other Party and inform the harmful effects of the event.

11.14.1 Once the occurrence of fortuity or force majeure has been found, while the event lasts, the obligations that the parties become prevented from performing are suspended.

11.15 The PURCHASE ORDER and the present instrument, which together form it, replace and render ineffective all other understandings, documents and agreements previously entered into by the parties in relation to the object of this contract.

11.16 In these circumstances, the laws of the Federative Republic of Brazil shall apply, and the courts of the Region of Belo Horizonte, Minas Gerais State, shall be elected to adjudicate the legal disputes arising as a result of the PURCHASE ORDER/CONTRACT of this instrument, excluding any others, however privileged they may be.

11.17 The Purchase Order (s) linked to a pre-existing Contract, the identification of the Contract governing the respective Purchase Order (s) shall be in the "Contract" field contained within the detailed description of each Order item.

11.18 The absence of a formal and written statement from the SUPPLIER addressed to the responsible purchaser regarding this Contract and/or Purchase Order and its General Conditions within 48 (forty eight) hours from the date of its issuance, shall imply full acceptance of the Contract and/or Purchase Order and its General Conditions by the SUPPLIER.

MAGNESITA REFRAATÓRIOS S.A. / MAGNESITA MINERAÇÃO S.A.