

GENERAL CONDITIONS FOR FOB SUPPLIES

These General Conditions for FOB Supplies ("General Conditions") shall apply to any and all Supply of Goods (as hereinafter defined) by any person or entity who wishes to supply Goods to MAGNESITA REFRATARIOS S.A. and/or MAGNESITA MINERAÇÃO S.A., under FOB Incoterm.

SECTION ONE – DEFINITIONS

For the purposes of these General Conditions, the following terms with capitalized initials shall have the following respective meanings (such meanings to be equally applicable to both the singular and the plural forms of the defined terms):

- "Buyer" means MAGNESITA REFRATARIOS S.A., a corporation organized in accordance with the laws of the Federative Republic of Brazil, headquartered in Contagem, State of Minas Gerais, at Praca Louis Ensck, n. 240, CEP 32210-050, enrolled with the National Register of Legal Entities of the Ministry of Finance (CNPJ/MF) under n. 08.684.547/0001-65, and/or MAGNESITA MINERAÇÃO S.A., a corporation organized in accordance with the laws of the Federative Republic of Brazil, headquartered in Brumado, State of Bahia, at Vila de Catiboaba, s/nº, Zona Rural, CEP 46.100-000, enrolled with the National Register of Legal Entities of the Ministry of Finance (CNPJ/MF) under n. 00.592.603/0001-20.
- "Change Order" means the document issued by Buyer in accordance with Paragraph 0 of these General Conditions.
- "Delivery Time" means the period of time in which loading is expected to be completed, as established in the Purchase Order. It is the timeframe the cargo needs to be produced and ready to be shipped from the plant to Port of Loading to meet first layday of the vessel.
- "ETA" means the Estimated Time of Arrival of the Vessel at the Port of Loading.
- "Force Majeure" means an event as specified in Paragraph 0 of these General Conditions.
- "Goods" means the Goods supplied by Supplier in accordance with these General Conditions, as specified in the Purchase Order.
- "IMO" means International Maritime Organization. The IMO's primary purpose is to develop and maintain a comprehensive regulatory framework for shipping and its remit today includes safety, environmental concerns, legal matters, technical co-operation, maritime security and the efficiency of shipping.
- "IMO Cargo" means dangerous cargo.
- "Incoterms" means the pre-defined commercial trade terms published in 2010 by the International Chamber of Commerce related to the common sales practices associated with the transportation and delivery of goods.

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- "Loading Terminal" means the terminal or pier in which the Vessel shall berth to be loaded.
- "NOR" means the Notice of Readiness given by the Shipowner to Supplier, informing that the Vessel is ready to berth.
- "Offer" means a document issued by Supplier in response to Buyer's Request for Quotation, containing the information specified in Paragraph 0 mas adelante.
- "Parties" means Buyer and Supplier, jointly.
- "Party" means Buyer or Supplier, individually.
- "Port of Loading" means the Port in which loading is expected to take place.
- "Port of Unloading" means the Port in which unloading is expected to take place.
- "Purchase Order" means a document issued by Buyer, as specified in Paragraph, as amended from time to time.
- "Request for Quotation" means a document issued by Buyer to Supplier as specified in Paragraph 0 mas adelante.
- "Supply" means the sale transaction between Supplier and Buyer described in the Offer, to be governed in accordance with these General Conditions.
- "Supplier" means any person or entity who wishes to supply the Goods.
- "Shipowner" means the owner of the Vessel.
- "UCP 600" means the Brochure n. 600 of the Uniform Customs and Practice for Documentary Credits, published by the International Chamber of Commerce.
- "Vessel" means the vessel(s) originally nominated or substituted by Buyer in accordance with these General Conditions to transport the Goods from the Port of Loading to the Port of Unloading.

SECTION TWO – SCOPE

2.1 The scope of these General Conditions is to define the conditions for the Supply of Goods by Supplier to Buyer, and shall constitute an integral part of the Purchase Order for the Supply.

2.2 The Supply shall refer to Goods described in the Purchase Order, which shall contain the specifications, quantities, prices, delivery dates, the FOB Incoterm and other particulars related thereto

SECTION THREE – PURCHASE ORDER AND CHANGE ORDER

3.1 The Purchase Order ("Purchase Order"), issued by Buyer shall contain the description of the Goods and their specifications, quantities, prices, delivery dates, payment terms and applicable Incoterm which shall be considered valid and accepted upon Supplier's receipt.

3.2 Buyer may change the scope of a Purchase Order, upon previous communication to Supplier within 30 (thirty) days before each delivery date ("Change Order"). Supplier

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shall answer the Change Order within 5 (five) days from its receipt by Supplier. Should Supplier fail to respond, the Change Order shall be considered valid and accepted.

3.3 Buyer may cancel any given the entire Purchase Order or some of its terms, upon previous communication to Supplier within 30 (thirty) days before each delivery date ("Cancellation Order"). Buyer shall not be liable for any costs and expenses incurred by Supplier in connection with such Purchase Order up to the date of cancellation, should the Cancellation Order is issued within the referred period. However, should Buyer issue a Cancellation Order after the expiration of the said period, Buyer shall be liable for the costs and expenses incurred by Supplier in connection with such Purchase Order up to the date of cancellation.

3.4 The Purchase Order together with these General Conditions and its Exhibits constitute the entire agreement between the Parties with respect to the subject matter hereof and, except if otherwise expressly provided by the Parties, shall supersede in its entirety (i) any terms or conditions that may conflict or contradict them, (ii) all prior agreements and understandings between the Parties with respect to such subject matter, and (iii) any oral or written communications that are not expressly incorporated herein. In case of any conflict or contradiction between these General Conditions and the Purchase Order, the Purchase Order shall prevail, provided that it is accepted by Supplier in accordance with Paragraphs above.

3.5 Supplier shall not charge Buyer for the preparation of an Offer.

SECTION FOUR – OBLIGATIONS OF SUPPLIER

4.1 In addition to the remaining provisions of these General Conditions, Supplier shall have the following obligations and responsibilities:

- i) to deliver the Goods to Buyer within the Delivery Time provided for in the respective Purchase Order, or within any other time mutually agreed in writing by the Parties;
- ii) to provide Buyer with information required to monitor the performance of the Purchase Order;
- iii) to ensure the proper transportation of the Goods to the Port of Loading, at its own expense and risk, in accordance with the FOB Incoterm;
- iv) to comply with the specifications of each Purchase Order and the quality of the Goods, reimbursing Buyer for all evidenced expenses and costs in case the Goods supplied do not conform with the said specifications;
- v) to perform the survey of the Goods at the Port of Loading, in accordance with Paragraph 9.1.

SECTION FIVE – OBLIGATIONS OF BUYER

5.1 In addition to the remaining provisions of these General Conditions, Buyer shall have the following obligations:

- i) to process payments strictly in accordance with the terms and conditions stated in each Purchase Order; and
- ii) to provide Supplier with all information and specifications as needed for the Supplier to execute the Purchase Order, upon Supplier's request.

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SECTION SIX – SECTION SIX – DELIVERY, LAYDAYS, NOMINATION AND SUBSTITUTION OF THE VESSEL

6.1 SHIPMENT IN CONTAINER

6.1.1 The Supplier shall deliver the Goods within the Delivery Time established in the Purchase Order, according to FOB Incoterm. The Delivery Time shall count from the date of acceptance by Supplier of the respective

Purchase Order, in accordance with Paragraph 3.4.

6.1.2 If the it is a IMO Cargo the Supplier shall inform the Buyer right after the receipt of the Purchase Order.

6.1.3 If necessary to perform its obligations under the given Purchase Order and these General Conditions, Buyer may substitute the Vessel for another one.

6.1.4 Buyer or its freight forwarder shall notify Supplier of any change(s) in the informed vessel's deadlines.

6.2 BULK / BREAK BULK SHIPMENT

6.2.1 The Supplier shall deliver the Goods within the Delivery Time established in the Purchase Order, according to FOB Incoterm - Free on Board spout trimmed in accordance with INCOTERMS 2010. Free on board means that the Supplier delivers the Goods on board the vessel nominated by the Buyer at the named port of shipment. Trimmed means spout trimmed into a self-trimming bulk carrier. Trimming, if required by Master (captain of the vessel) shall be for Supplier's, Shippers account. The Delivery Time shall count from the date of acceptance by Supplier of the respective Purchase Order, in accordance with Paragraph 3.4.

6.2.2 The cost for storing and loading into the vessel will be on Supplier account.

6.2.3 During storage time Supplier will be responsible for quantity and quality of the goods.

6.2.4 The Laydays shall be the day or range of days, in which, at the Loading Terminal: (a) the Vessel shall tender a valid NOR; and (b) Supplier shall have a sufficient quantity of the Goods deliverable according to the Purchase Order so as to enable loading to commence and continue, on an uninterrupted basis.

6.2.5 The Laydays shall be agreed upon by Buyer and the Shipowner, and shall be informed to Supplier in a reasonable period of time before the anticipated ETA of the Vessel, together with the relevant information regarding the Vessel.

6.2.6 If necessary to perform its obligations under the given Purchase Order and these General Conditions, Buyer may substitute the Vessel for another one.

6.2.7 Buyer shall notify Supplier of any change(s) in the ETA informed.

6.2.8 Upon acceptance of the Purchase Order, Supplier shall inform Buyer of any restrictions at the Loading Terminal with respect to but not limited to (a) maximum draft, length, deadweight, displacement, age, flag, aircraft, waterline to top of hatch coaming; (b) relevant procedures regarding health, safety and Vessel operations, possible priority berthing arrangements; as well as (c) any applicable governmental, local and port authority regulations and any other applicable requirements of whatever nature in force at the Loading Terminal shall apply to the Vessel ("Restrictions").

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6.2.8.1 Supplier shall provide all information regarding the Restrictions or any other Loading Terminal's requirements. In case Supplier fails to inform Buyer about any Restriction applicable to the Loading Terminal, as provided in the precedent Paragraph, Supplier shall be liable for any costs incurred by Buyer due to this lack of information, including but not limited to demurrage and storage costs.

6.2.9 Supplier shall give notice accepting the Vessel nominated by Buyer within 01 (one) business day from receipt of the information described. Should Supplier not give such notice timely, nomination of the Vessel shall be considered valid and effective.

SECTION SEVEN – SECTION SEVEN – BERTHING, LOADING PROCEDURE AND DELAYS

7.1 SHIPMENT IN CONTAINER

7.1.1 Buyer shall inform Supplier, the freight forwarder contact details, by the material readiness date; and then the freight forwarder, on behalf of the Buyer, will send booking details to the Supplier in time to accomplish the vessel's deadlines.

7.1.2 Supplier shall deliver the container (s) loaded and released from customs at Port of Origin in time to accomplish the vessel's deadlines.

7.1.3 Supplier shall pay all export duties and fees to the freight forwarder as soon as the vessel leaves in order to avoid any delay at port of destination.

7.2 BULK / BREAK BULK SHIPMENT

7.2.1 Buyer shall arrange for Vessel to report its updated ETA to the Loading Terminal, with a copy to Supplier, according to the common practices related to the maritime transportation of Goods.

7.2.2 Once a valid NOR has been tendered by the Vessel, Supplier shall deliver the Goods, according to Section Six, above.

7.2.3 Supplier shall provide Buyer with a berth in which the Vessel can safely berth and leave, as well as lie and load afloat.

7.2.4 Supplier warrants the performance of any Port equipment necessary for the loading operation of the Vessel, as well as the safety of any channel, fairway or other waterway used in approaching or departing from the Berth designated by Supplier.

7.2.5 Loading rate shall be fixed by the parties no later than 20 days before the ETA.

7.2.6 At Port of Loading, Buyer at Buyer's expense shall determinate the weight of the shipment by draft survey for each grade of material loaded, using an independent surveyor (first class entity, certified commercial marine surveyor for vessels).

7.2.7 Buyer may, at Buyer's option and expense, appoint its own representative, an independent surveyor (first class entity, certified commercial marine surveyor for vessels) to be present during the draft survey and carry out its own draft survey calculations for each grade of material loaded.

7.2.8 The weight of the goods showed in the Bill of Lading, duly ascertained and certified with Producer's analysis shall be the basis of Supplier's invoice.

7.2.9 The time in excess of the agreed laytime as specified in this agreement due to port congestion or delays in loading shall be borne by Supplier, who shall pay BUYER

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demurrage at the rate stipulated in the respective Charter Party, which will be informed during vessel nomination.

7.2.10 Supplier shall be liable to reimburse Buyer of any costs derived from any delay arising out of or in connection with any of the following situations occurred during loading operation:

- i) awaiting tide, tugs, pilot, daylight, ice, moderation of weather or sea state prior to berthing;
- ii) awaiting immigration, customs or pratique;
- iii) on an inward passage until the Vessel is securely moored at the Berth;
- iv) preparing for and handling or shifting of ballast, bilges, slops or other substances or bunkering unless concurrent with cargo operations;
- v) cleaning and inspection of the Vessel's cargo bays;
- vi) time spent complying with any of the regulations and other requirements referred to in Paragraph 6.2.8 above;
- vii) any other delay attributable to Supplier or agents of Supplier; or
- viii) any onboard strike, lockout, stoppage or restraint of labor by members of the crew.

7.2.11 A party is not liable for a failure to perform any of his obligations in so far as he proves:

- i) that the failure was due to an impediment beyond his control, and
- ii) that he could not reasonably be expected to have taken into account the impediment and its effects upon his ability to perform at the time of the conclusion of the Contract,
- iii) and that he could not reasonably have avoided or overcome it or its effects.

SECTION EIGHT – PRICES AND TERMS OF PAYMENT

8.1 Payment of the Goods shall be affected by wire transfer to the account designated by Supplier in the relevant invoice, according to the payment terms indicated in the Purchase Order.

8.2 Buyer may retain, deduct or set off any amount owed to Supplier in connection with the Purchase Order against any credit, refund, discount or claim of any kind that Buyer may have with Supplier.

8.3 Invoices shall be issued by Supplier, containing the number of the relevant Purchase Order and other agreed references.

SECTION NINE – MEASUREMENT, SAMPLING, INDEPENDENT SURVEY, PASSING OF RISK AND TRANSFER OF TITLE TO THE GOODS

9.1 The quantity and quality of the Goods delivered by Supplier can be determined by a survey performed Buyer itself or by an independent surveyor (certified commercial surveyor) selected by the Buyer, at Port of Loading or at Supplier's facilities which shall provide the relevant certificates, containing details of the determination reached in the survey.

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9.2 Buyer may also carry out its own survey of the Goods as soon as the unloading of the Goods had taken place, in order to verify its conformity with the Purchase Order, in accordance with the provisions of the FOB Incoterm. Said inspection shall occur within 60 (sixty) days counted from the receipt of the Goods at Buyer's warehouse. In case of differences between Buyer's and Supplier's survey, a third independent surveyor shall be nominated by Buyer to survey the delivered Goods. Should the Goods be considered by the third independent surveyor to be non-conforming to the specifications or defective, Buyer may either (i) request the delivery of substitute goods, or (ii) request the reimbursement of the amount effectively paid to Supplier which shall be rendered by Supplier within 60 (sixty) days from the date of communication issued by Buyer.

9.3 Risk and title to the Goods passes from Supplier to Buyer upon completion of delivery at the Port of Loading.

9.4 No decision, instruction, survey, rejection or approval by Buyer shall release Supplier from its obligations to deliver the Goods in compliance with this General Conditions and the Purchase Order free from defects, errors, malfunction, failure or any hidden vices/defects.

SECTION TEN – WARRANTY

10.1 Supplier warrants that the Goods shall comply with the technical specifications and provided for in the relevant Purchase Order. This warranty is granted only to and may only be enforced by Buyer. Supplier also warrants and guarantees that all the Goods hereunder shall be free from all defects, malfunction, failure caused by errors or omissions of any kind, including, but not limited to, omissions and errors in manufacturing, producing, engineering, performance, quality, and design.

10.2 The warranty above mentioned is valid for a period of 12 (twelve) months after the delivery in the Buyer's warehouses. If within the warranty period Goods, under proper use, is found defective, faulty or fails to attain the performance levels specified in this agreement or in its documents, Buyer shall notify Supplier that, at its costs and risk, shall take whatever measures are necessary for correcting any deficiencies, faults or defects found, including replacing or repairing the Goods that fail to attain the expected efficiency or capacity, or which show failures in material, design or manufacturing.

10.3 Supplier shall pay all costs and expenses for repairing or replacing the defective Goods, including, but not limited to, all costs and expenses relating to dismantling, packing, round-trip transportation, insurance, testing and re-exporting. Buyer shall return the Goods that is out of specifications, defective, faulty or failing to attain the performance levels established. In such case Supplier shall bear all costs and risks relating to such return. In this case any payment made in respect to the returned Goods that have not been replaced by Supplier within reasonable time shall be reimbursed to Buyer together with any additional expenditure incurred by it. Such amounts can also be deducted from, or set off against, any sums owed to Supplier in this Contract or any other contract.

SECTION ELEVEN – LIABILITY AND PENALTIES

11.1 Each Party shall be liable for any loss or damage incurred by the other Party as a result of (i) non-compliance with any obligation set forth in these General Conditions, in its Exhibits and/or in the Purchase Orders; (ii) acts or omissions by a Party or its

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representative arising out of negligence, recklessness and/or unskillfulness. The liability of each Party is subject to the remaining provisions of these General Conditions.

11.2 Any of the Parties shall not be liable to the other Party (whether in contract, warranty, indemnity or tort) for any indirect, incidental nor consequential loss or damage, including but not limited to loss of profit or revenue, loss of opportunity, loss of third party contracts, loss of production, work stoppage, cost of capital or like items of loss or damage, save where provided for to the contrary elsewhere in these General Conditions.

11.3 Demurrage charges shall be borne solely by Supplier, except (i) where Buyer fails to nominate a Vessel which complies with the Requirements, provided that such Requirements are duly and timely informed to Buyer by Supplier, or (ii) if the Parties have expressly agreed otherwise.

11.4 Supplier shall be responsible for any cost, expense or damage caused to the Vessel or to the Goods by any third party, including but not limited to accidents caused by stevedores, port authorities or Vessel's crew, during loading operation, caused by negligence, willful misconduct and/or other causes attributable to the Vessel or the Goods. Such damages are to be settled directly between the Shipowner and stevedores. In any case such damages shall be reported immediately upon occurrence and confirmed in writing to stevedores and to Supplier within forty-eight (48) hours upon occurrence.

11.5 If any of the Parties fails to perform any obligation contained in this Agreement or in the Purchase Orders, the aggrieved Party shall notify the defaulting Party of such violation in writing, indicating which obligations were not fulfilled and, if the defaulting Party fails to fulfill such obligations within fifteen (15) days after receipt of the other Party's written notice, the defaulting Party shall be subject to liabilities as provided for in this Agreement.

11.6 Each Party shall defend, indemnify and hold harmless the other Party from and against any and all claims, demands, causes of action, lawsuits or liabilities arising out of or related to the performance of these General Conditions caused by the other Party, as set forth in this Section. In the event one of the Parties (the "Notified Party") is notified, assessed, served of process, summoned by any authority or third party with regard to any liability to the other Party under these General Conditions, whether of a civil, tax, labor, social security or other nature, such Notified Party shall immediately notify the other Party with respect to such notification, assessment, service of process or summons, so as to enable such other Party to provide the Notified Party with relevant information or clarification in order to help the Notified Party to mitigate the consequences of the event or to be used by the Notified Party in its defense. Failure of the Notified Party to timely notify the other Party of the event referred to in this Section shall be deemed as a release of the liability of such other Party's towards the Notified Party.

SECTION TWELVE – TAXES AND DUTIES

12.1 Each Party shall bear the taxes and duties for which it is legally responsible for in connection with these General Conditions and each Purchase Order.

12.2 Each Party's additional obligations related to taxes, duties, fees and charges imposed by or levied by any competent authority on the Goods supplied hereunder, or

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on its export, delivery, transportation, sale or use shall be regulated by the provisions of the FOB Incoterm.

12.3 Where applicable, Supplier must obtain, at its own risk and expense, any export license or other official authorization and carry out all customs formalities necessary for the export of the Goods.

12.4 Buyer shall obtain, at its own risk and expense, any import license or other official authorization and carry out all customs formalities necessary for the import of the Goods into the country of destination.

SECTION THIRTEEN – FORCE MAJEURE

13.1 Neither Party shall be liable for failure to perform its obligations as a result of an event of Force Majeure. The Party invoking Force Majeure shall notify the other Party of such occurrence, including the damaging effects of the event, as soon as possible but not later than fifteen (15) business days from the date the event became known to the said Party.

13.2 For the purposes of these General Conditions, an event of Force Majeure is deemed to be an event beyond the reasonable control of the affected Party, including but not limited to acts of God, events of nature, acts of war (declared or otherwise), fire, strikes, pandemics/epidemics, acts or omissions by Government and/or port authorities, port maintenance, labor conflict, revolts or riots, all cases of mobilization, unrest, disturbance of operations, production shutdown, delay in the transportation of the goods, delay in berthing, equipment breakdown, reduction in production, limitation and shortage of raw materials and commodities, non or late delivery by Supplier's suppliers, as well as all consequences of such events and situations, or defects or delays in execution of obligations deriving from these General Conditions or the Purchase Order.

13.3 In the event of a delay due to an event of Force Majeure, the time for delivery of the Goods shall be extended for a period equivalent to the delay, plus a reasonable time to recommence the execution, as shall be agreed between the Parties in good faith.

SECTION FOURTEEN – TERMINATION

14.1 The Supply may be terminated by either Party upon written notice to the other Party, in the following events:

- i) insolvency, bankruptcy, or liquidation of the other Party;
- ii) failure by the other Party to perform any material obligation of these General Conditions, provided that the aggrieved party has notified the defaulting party within a reasonable time indicating the material obligation(s) breached and giving such party the period of 15 (fifteen) business days from the receipt of the notice to remedy the breach. Should the breach not be remedied within that period, the Supply shall be deemed terminated upon another notice given to the defaulting Party not later than 30 (thirty) days following expiration of the previous 15-day period.

14.2 The Supply may also be terminated if Supplier is prevented from carrying out its obligation under these General Conditions and the Purchase Orders as a result of an event of Force Majeure as prescribed hereabove, and such event remains for more than thirty (30) days.

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14.3 Following notice of termination, the aggrieved party shall be entitled to claim damages resulting from the breach by the defaulting party, in accordance with Section Twelve of these General Conditions.

SECTION FIFTEEN – CONFIDENTIALITY

15.1 For the purposes of these General Conditions, their Exhibits and the Purchase Orders, Confidential Information shall mean, regardless of whether the Parties shall have them so identified, all information of a secret or confidential nature related to the business of either Party, including information about industrial processes, illustrations, drawings, data, sales plans, sales forecasts, price and discount practices, supply sources, know-how, commercial secrets, software or any other information related to commercial, industrial and logistics operations of any of the Parties.

15.2 The Parties undertake not to disclose Confidential Information to which they may have access in connection with the Supply, and undertake not to allow any of their employees or third parties under their responsibility to use such data and information for purposes other than that of the Supply. This obligation shall remain in force for a period of five (5) years after termination of the Supply.

15.3 Any breach or threatened breach of confidentiality obligations contained in these General Conditions shall entitle the harmed party to obtain specific performance or injunctive relief, as well as full recovery of damages arising out of such breach.

15.4 The confidentiality requirement shall be waived only in the following events:

- i) If the information was proven to be already known by one Party before being transmitted by the other Party;
- ii) If there was prior express consent of the other Party to make the disclosure;
- iii) If the information was proven to have been known through another source, in a legal and legitimate manner, independently from these General Conditions and/or the Purchase Orders related hereto;
- iv) If a court or arbitral tribunal orders the disclosure of the information, in which case the Party required to make the disclosure must notify the other Party beforehand, if possible;
- v) If the competent authorities request access to the information, in which case the other Party must be notified of the disclosure; and
- vi) If the information is independently developed by one Party without use of the confidential information of the other Party.

15.5 Confidential Information may be disclosed by either Party in confidence to the other Party's employees or representatives on a need-to-know basis only, and on the condition that it is not to be reproduced, copied or used for any other purposes than the purpose for which it was provided under these General Conditions.

SECTION SIXTEEN – ANTI-CORRUPTION LAWS

16.1 Supplier represents that it understands the U.S. Foreign Corrupt Practices Act of 1977 (the "FCPA"), the Brazilian Clean Companies Act (Law No. 12,846/2013), the UK Bribery Act 2010, and all other applicable anti-corruption laws (collectively, the "Anti-

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Corruption Laws”) and their global/international/extraterritorial applicability. Supplier agrees, represents, warrants and covenants to comply with and not to directly or indirectly cause Buyer to breach the Anti-Corruption Laws.

16.2 Supplier will not, directly or indirectly, pay, offer, authorize, or promise any monies or anything of value (such as gifts, contributions, travel, or entertainment) to any person or organization, including any employee of Supplier’s or Buyer’s customers, or any government official, which includes but is not limited to, any employee or official of any governmental authority, government owned or controlled entity, public international organization, political party, or any candidate for political office (collectively “Government Official”) for the purpose of improperly influencing their acts or decisions. Supplier will take appropriate actions to ensure that its employees, agents, contractors, officers, directors, personnel, or representatives (collectively, “Supplier’s Representatives”) will also comply with this clause.

16.3 Except as disclosed in writing to Buyer, Supplier represents, warrants, and covenants that it does not have any reason to believe that there are any potential conflicts of interest regarding its relationship with Buyer, and neither that Supplier, nor any of Supplier’s Representatives, will improperly influence a Government Official’s decision-making on behalf of Buyer.

16.4 Supplier will maintain complete and accurate books and records of all payments made by Supplier or Supplier’s Representatives in performance of this Agreement or related to it.

16.5 Supplier will notify Buyer promptly if Supplier or any of Supplier’s Representatives have reason to believe that (a) a breach of this clause has occurred or is likely to occur, or (b) any potential conflicts of interest regarding Supplier’s relationship with Buyer arise after the signing of this Agreement.

16.6 Buyer will not perform any payments that Buyer believes, in good faith, would cause it or its affiliates to be in violation of any Anti-Corruption Laws. If Buyer at any time believes, in good faith, that a breach of this clause has occurred or may occur, Buyer may withhold any compensation, reimbursement, or other payment until such time as Buyer has received confirmation to its reasonable satisfaction that no breach has occurred or will occur. Buyer shall not be liable to Supplier for any Losses (as defined below) whatsoever related to Buyer’s decision to withhold any compensation, reimbursement, or other payment under this section.

16.7 In the event of a breach of this clause, Buyer shall have the right to terminate this Agreement effective immediately without any penalty.

16.8 Supplier will indemnify, defend, and hold harmless Buyer, its affiliates, and its and their officers, directors, employees, suppliers, representatives, and agents (“Buyer Indemnitees”) from and against any and all claims, losses, taxes judgments, costs, awards, expenses (including reasonable attorneys’ fees), liabilities, and damages of any kind (collectively, “Losses”) arising out of or related to: (a) Supplier’s breach or alleged breach of this Agreement, or any representation, warranty, and/or covenant made by Supplier; (b) any negligence or willful misconduct, or allegations thereof, by Supplier or any of Supplier’s Representatives; and (c) any breach or alleged breach of any Anti-Corruption Laws by Supplier or any of Supplier’s Representatives.

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SECTION SEVENTEEN – INTELLECTUAL PROPERTY

17.1 Supplier shall be liable for infringement of third-party intellectual property rights (hereinafter "Intellectual Property") including those related to material, equipment, or execution processes protected by applicable law that are used by or licensed to Supplier in connection with the Supply.

17.2 In the event Buyer receives any complaint, demand, notification, subpoena or intimation as a result of any of the events referred to in the preceding paragraph, Supplier shall be notified.

17.3 If Supplier so requests, Buyer shall collaborate to the extent possible in the defense of such complaints, demands, or actions and shall be reimbursed for all reasonable expenses incurred in doing so, which shall be demonstrated in full by Buyer.

SECTION EIGHTEEN – GENERAL PROVISIONS

18.1 All notices and other communications to be sent under these General Conditions and the Purchase Orders shall be made in writing, in the English language, and shall be sent by international courier service with proof of delivery, registered mail (return receipt requested), electronic mail or by facsimile transmission to the addresses or numbers set out in the Purchase Order or such other address or numbers as the Parties may give notice of in accordance with this Section.

18.2 The Party whose address, fax number or e-mail informed to the other Party is changed shall notify the other Party within five (5) days of the relevant change. Until such notice is given, the notices, communications, notifications and court summons sent to the address, fax number or e-mail stated in the respective Order shall be considered valid and effective.

18.3 Supplier and Buyer may appoint a new contact person at any time, provided that it shall notify the other Party before doing so.

18.4 The headings contained in these General Conditions are inserted for convenience only and shall not be considered in interpreting or construing any of the provisions contained in these General Conditions.

18.5 The Parties' failure to exercise any of the rights or prerogatives set forth in these General Conditions, in a certain Purchase Order or in applicable laws shall be deemed an act of mere tolerance and shall not result in any waiver, change or novation of the obligations established herein, which performance may be enforced at any time, regardless of prior notice to a Party.

18.6 No Party shall subcontract or assign, in whole or in part, the rights and obligations in connection with any Purchase Order, including credits, without the prior express authorization of the other Party, which shall not withhold such authorization without good reason.

18.7 These General Conditions and its Exhibits may be changed only upon execution of a specific written amendment, signed by duly empowered representatives of the Parties in accordance with their respective corporate documents.

18.8 The Supply covered by the Purchase Order does not constitute any employer-employee relationship between the Parties or any relationship of personal subordination among their managers, employees, representatives and/or third parties under the responsibility of the Parties.

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18.9 In the event that one or more provisions under these General Conditions is considered invalid, illegal or unenforceable by any court of law, arbitral tribunal or other authority having jurisdiction, such invalidity, illegality or unenforceability shall not affect the remaining provisions of these General Conditions or Purchase Orders, as the case may be. The invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction. The Parties shall use good faith in providing their best efforts to replace the invalid provision by one with legal effects to the purpose of the invalid provision.

18.10 These General Conditions and its Exhibits, the Purchase Orders and any provisions thereof shall bind the Parties and their assigns or successors of any kind.

18.11 These General Conditions and its Exhibits are drawn up and executed in the English language. Any other documents relating to these General Conditions, including Purchase Orders and notices shall also be drawn up in English.

18.12 Unless otherwise agreed upon by the Parties in writing, all specifications, plans, blueprints and in general all technical documents which are provided to Buyer in any form whatsoever remain in the property of Supplier and may not be reproduced or disclosed to third parties without Supplier's prior written consent. If a Supply is not concluded, the aforementioned data should be returned immediately upon request.

SECTION NINETEEN – APPLICABLE LAW AND ARBITRATION

19.1 These General Conditions shall be governed by and construed in accordance with the United Nations Convention on Contracts for the International Sale of Goods (CISG).

19.2 All disputes arising out of, or in connection with, the interpretation or execution of these General Conditions and the Purchase Orders shall be settled in accordance with the Rules of Arbitration of the International Chamber of Commerce (CCI), by three (3) arbitrators appointed pursuant to the above mentioned rules. The arbitration will be held in Belo Horizonte, Brazil, and will be conducted in English.

TERMS OF ACCEPTANCE

By signing this Terms of Acceptance, you acknowledge that you have duly read, understood and agreed to Purchase Order and its attachments and that you will abide to it strictly in the course of your relationship with Magnesita.

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RHI MAGNESITA SUPPLIER CODE OF CONDUCT

At RHI MAGNESITA we are of the opinion that we bear societal responsibilities in all our business transactions. We do not solely focus on adhering to current laws, but beyond, we also strive to meet the ethical and moral standards to which we have committed ourselves in our Code of Conduct and our sustainability strategy. The protection of human rights, health, safety and the environment constitutes one of the essential values of RHI MAGNESITA. Furthermore, we are committed to fair competition and strictly refuse to participate in any dishonest practices such as bribery and corruption.

As we act in a global and interconnected economy, we involve all our stakeholders in our decisions and align all our actions with the principles of sustainable management. In order to implement this aspiration on all levels we also ask our business partners to follow our example and commit to the same principles. In their respective sphere of influence we expect our suppliers and service providers to

- Respect and promote human and civil rights,
- Comply with applicable labour and social laws and recognize the right for collective bargaining and freedom of association of all employees
- Refrain from using any form of forced, compulsory or child labour
- Adhere to the principles of equal opportunities and non-discrimination in the case of staff appointment, selection and promotion
- Comply with applicable regulations concerning safety and health
- Remunerate employees, independent of their type of employment, at or above minimum wages
- Adhere to all applicable environment protection laws
- Act in a fair and honest manner on the market and adhere to applicable competition laws
- Comply with all applicable anti-bribery and anti-corruption laws
- Respect all applicable embargos and sanctions
- Communicate the above-listed principles to their own suppliers, subcontractors and service providers and demand adherence to these principles.

Suppliers of RHI MAGNESITA may be asked to complete a questionnaire of self assessment on the contents of the Supplier Code of Conduct at a future point of time and, if necessary, accept further inquires, on-site visits or a complete compliance audit. If the provisions of this Supplier Code of Conduct are not met, a catalogue of measures shall be defined for a certain period of time and the progress concerning those measures will be monitored. Otherwise it may not longer be possible for RHI MAGNESITA to engage in further business transactions with this supplier. Suppliers, on the other hand, are encouraged expressly, to notify our Compliance Helpline, which can directly be accessed via our website (www.rhimagnesita.com), of any unethical or illegal behaviour or suspicions of misconduct of an RHI MAGNESITA employee or a third party contracted by RHI MAGNESITA.

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Supplier declaration:

Hereby, we recognize the RHI MAGNESITA Supplier Code of Conduct and commit to the adherence of the therein mentioned provisions and all applicable laws.

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