

GENERAL TERMS AND CONDITIONS FOR SUPPLYING PRODUCTS

PRELIMINARY NOTE: The word “Contract” means the Purchase Order itself with all its attachments and these general terms and conditions for supplying products.

1. OBJECT

This contract comprises the provision of the products described in the Purchase Order without exclusiveness by the **VENDOR** to the **BUYER**, in the way, at the location and time set up by the **BUYER** and based on the established conditions contained in the Purchase Order, this contract and its attachments

1.2 For Purchase Agreement purposes, the usage figures indicated by the **BUYER** are merely estimates and do not imply in **BUYER**'s commitment to purchase minimum or maximum quantities. The effective order for the amount needed will be placed through the Delivery Orders issued by the **BUYER**.

2. INTELLECTUAL PROPERTY

2.1 All work, records, reports and any other document obtained and / or prepared either by the **BUYER** or the **VENDOR** in connection with the supply herein contracted shall remain the exclusive property of the **BUYER**.

3. CONSTITUENT DOCUMENTS

Notwithstanding the foregoing the following documents constitute the Purchase Order hereby formalized and will be fully valid except in that hereby modified:

- a) Purchase Order Scope;
- b) Business Conduct and Interest Conflict Policy, according to item 3.1 below;
- c) General Taxation Conditions;
- d) Anti-Corruption Policy, according to item 3.1 below;
- e) Corporate Responsibility Statement, according to item 3.1 below;

3.1 It is integral part of the contract now formalized, independently of the transcription, and will have full validity the denominated document of **Business Conduct and Interest Conflict Policy**, **Anti-Corruption Policy** and **Corporate Responsibility Statement**, available in the most updated version, in the electronic site http://www.alcoa.com/brazil/pt/custom_page/fornecedores/fornecedores_cadernos.asp for access of the client, which declares to have full knowledge of its terms, nothing to have to oppose and with him to agree.

3.2 Be it entirely revoked any pact, adjustment, clauses and conditions previously agreed between the parties in all that contradict what is herein established.

4. PROCEDURES AND CONDITIONS OF SUPPLY

4.1 If the **VENDOR** delivers any product without the **BUYER**'s consent, the parties herein agree that the **BUYER** could, under its sole and exclusive criteria:

4.1.1 Accept the product, without the corresponding anticipation of payment date or increase of the due value, or

4.1.2 Return the product to the **VENDOR**;

4.1.3 If the **BUYER** decides to return the product, the **VENDOR** will bear the responsibility for all costs relative to this action and, should the **BUYER** exceptionally assume the costs for returning the product, the **VENDOR** immediately authorizes the **BUYER** to discount that amount from the sum to be paid to the **VENDOR**. Eventually if no supply takes place, the **VENDOR** shall deposit the amount in a bank account indicated by the **BUYER** within 10 (ten) days from the date the **VENDOR** acknowledge receipt the **BUYER**'s communication of that intent;

4.2 The **VENDOR** assumes the obligation to keep in stock, for prompt delivery, quantities corresponding to 30 (thirty) days of consumption for each product listed in the contract;

4.3 The **BUYER** can reduce or cancel the quantity of the products, since it is done in no less than 10 days prior the delivery date;

4.4 It is the **VENDOR**'s responsibility deliver the products described in the Contract properly packed and in good preserving condition, in good working/use condition to what they are intended for , in accordance with the contract Technical Specifications;

4.5 If the **VENDOR** happens to be responsible for the product freight it shall be assured to be done in proper vehicles, under the delivery schedule agreed by the parties;

5. PRODUCTS RECEIPT

5.1 The **VENDOR**'s obligation for supplying the requested product will only be accomplished upon the effective receipt and acceptance of the product by the **BUYER**. The product will be recognized accepted by the **BUYER** when:(i) Delivered at the place and date requested by the **BUYER** and (ii) Evidenced by the **BUYER** that the product is in compliance with the technical specification described in the Contract and after the completion of the product sample analysis by the **BUYER**'s technical department;

5.2 Failures or damages evidenced at the product receipt caused by insufficient or improper packing shall be grounds for reimbursing the **BUYER** by the **VENDOR** within 10 (ten) from the receipt of the **BUYER**'s communication.

5.3 The damaged products delivered in enclosed packing which shows no damage marks shall be reimbursed or replaced, even if accepted by the **BUYER**, within 10 days from the receipt of **BUYER**'s written communication by the **VENDOR**.

6. PRICE, INVOICING AND PAYMENT

6.1 The **BUYER** will pay the **VENDOR** the product price, in accordance with the commercial specifications of the Contract;

6.2 The incoices to be issued by the **VENDOR**, in 2 copies, shall contain the following data: (i) Purchase Order number, (ii) Product specification in accordance with the established by the **BUYER** and (iii) Product Use, as indicated by the **BUYER**;

6.3 Being the invoices and the supply in compliance with the established in the Contract, the **BUYER** will exclusively pay through deposit in the **VENDOR**'s bank account, at the date established by the contract;

6.4 Any changes to the bank account data shall be communicated by the **VENDOR** in written to the **BUYER** 10 days prior to the date of the following invoice

6.5.The **VENDOR** is prohibited, in all or part, to assign any interest in this contract by cession, alienation, transfer or discount with third parties, by any means, the credits arising out of the Contract without prior consent of the **BUYER**.

6.6 Upon the evidence of errors, failures or non-compliances of the supply and /or the invoicing documents submitted by the **VENDOR**, the due date for payment will be counted from the date of the re-submission of the corrected documentation by the **VENDOR**, without any addition to the original amount.

6.7 Upon the evidence of any irregularity on the invoice, the **BUYER** can choose either discount the amount from the following payment or notify the **VENDOR** to reimburse the **BUYER** for the sum of money overpaid within 5 working days from receipt of the notification.

6.8 The **BUYER** shall not accept any invoice issued by the **VENDOR** to which no Purchase or Delivery Order has been issued for that invoice

7. VALIDITY

7.1 This document is valid in accordance with the established in the Purchase Order.

8. VENDOR'S RESPONSIBILITY

8.1 Responsible for any compensation for damages and/or losses caused by action or omission of the **VENDOR** or its employees' or subcontractors to the **BUYER** and to third parties, arising out of failure in following the legal procedures and standards in force and applicable to the supply as well as damages caused to the **BUYER** due to the non compliance with the established in this

contract. These obligations will remain valid thru the completion of this contract and as long as required by force of the law;

8.2 If the transport of the products is the **VENDOR**'s responsibility, the **VENDOR** shall contract all necessary insurance for completion of the contract;

8.3 If the transport of the products is the **BUYER**'s responsibility, in case of contracting additional insurances needs, these must be described on the Purchase Order.

9. CONFIDENTIALITY

9.1 The **VENDOR** assumes the obligation to keep, and ensure that its personnel keep secrecy on any data, materials, documentation, technical and commercial specifications, innovations or improvements of the **BUYER** which they happen to get access to or are given in custody for the development of the subject-matter of the contract, being of the **BUYER**'s interest or third parties' and shall not disclose, copy or let unauthorized people know about this agreement under any circumstance or reason, unless documented consent by the **BUYER**.

10. WARRANTY AND RESPONSIBILITY FOR THE SUPPLY

10.1 Notwithstanding the foregoing on item 5 of this contract, the **VENDOR** shall assume responsibility for the quality of the product supplied, replacing it free of any charges to the **BUYER**, when any defect or non compliance with the specifications are evidenced even they are noticed after **BUYER**'s receipt of the product.

11. CESSION

11.1 This contract shall not be ceded, transferred or subcontracted by none of the parties.

12. TOLERANCE

12.1 The tolerance of any party for non compliances with the obligations herein agreed shall not imply in novation or renouncement of rights, being it mere liberality which shall not obstruct the tolerant party to demand the other party to accomplish the Contract.

13. PENALTIES

13.1. Unless under the occurrence of fortuitous event or force majeure, as conceived on the single clause of the article 393 of the Brazilian Civil Code or other reason considered fair by the **BUYER**'s supervision, the **VENDOR** will be subject to penalty of 2% (two percent) of the Purchase Order value limited to 10 % (ten percent), for each non compliance event.

14. CANCELLATION

14.1 The Purchase Order can be cancelled by either party without compensation of any kind and without cause, by giving the other party written 30 consecutive day notice;

14.2 The Purchase Order can be automatically cancelled for non compliance of the obligations herein agreed.

15. SOCIAL RESPONSIBILITY – SA 8000 STANDARD

15.1 The **VENDOR**, for itself, its representatives and contracted third parties will be integrally responsible for the integral execution of "SA 8000 Standard" that is related to the Social Responsibility in the work atmosphere, declaring expressly that: a) does not make use of infant or forced labor on its business activities; b) ensure healthy and safe working environment and has an EHS Program; c) ensure liberty for the employees to take part in Unions; d) does not allow any kind of discrimination act or situation; e) does not allow any abusive disciplinary practices; f) knows and applies the legislation in force, specially but not limited to, the Labor and the Environmental ones

15.2 The non execution from the **VENDOR** of "S.A 8000 Standard" and what is detailed in this clause will constitute fair reason so that the **BUYER**, on his exclusive criteria, determine: (i) the suspension of the execution of the services rendered until the **VENDOR** proves its compromising and execution of the requirements of Social Responsibility established by S.A 8000; or (ii) the immediate rescission of the present contract, by official report writing to the **VENDOR**, without damage of the other contractual sanctions and/or legal applicable.

16. ENVIRONMENTAL LEGISLATION AND STANDARDS

16.1 The VENDOR, its designees and the subcontractors assume the obligation of complying with the city, state and federal environmental laws and also assume the obligation of reimbursing the BUYER of all losses as result of the non compliance with the referred environmental legislation as well as responding for damages caused to the Environment and third parties during the execution of the job subject-matter of this Contract, reimbursing or repairing the consequences to the BUYER, to third parties and to the Government.

16.2 The VENDOR ensures that the products supplied are not or do not contain the following substances:

PCBs (Polychlorinated biphenyl); CFCs (Chlorofluorocarbons); Asbestos; Refractory Ceramic Fibers; Chlorinated Organics; Phosphate Organics; Lead and chromates in paints or lubricants; Cadmium and Antimony, in paints, welds or metals; Mercury (in measuring instruments and electrical/electronic components); Chlorinated or aromatic thinners, formaldehydes or its substances, methyl or ethyl glycol or its acetates, nitrosamines and its composites, perchloroethylene e trichloroethylene.; Benzene from paints (contaminated alpha / beta naphthylamine);

Chloroform; Methylene Chloride; Methyl-chloroform; Oils (petroleum hydrocarbons) not thoroughly hydro-treated and refined thinners; Ortho-toluidine; Sensitizers (Toluene diisocyanate e achrylates);

16.3 Products such as reagents utilized in chemical analysis instruments in laboratory are exempt from the above demands.

16.4 For those products supplied and / or utilized for the execution of the services of this Contract, the respective Material Safety Data Sheet (MSDS) shall be submitted as well as the Emergency Sheet, in compliance with the legislation in force.

17. AUDITING

17.1 The BUYER will conduct audits, at its own criteria, relative to legal, operating and administrative aspects of the VENDOR. The non accomplishment of such audit by the BUYER does not exempt the VENDOR from all its legal and contract obligations.

18. FORUM

The judicial district of the location where the services will be executed is the elected Forum to dispel doubts and litigations arising out of the Contract. The parties renounce any other Forum however much privileged that is.