



## STANDARD TERMS AND CONDITIONS OF SALE

### 1. GENERAL

These Standard Terms and Conditions of Sale and Sales Order Confirmation provided herein form an integral part of the confirmation of a contract of sale concluded between APTA INDÚSTRIA E COMÉRCIO DE RESINAS LTDA., with its registered offices at 548 Presidente Vargas Avenue, Estância Vila Velha, Rio Grande do Sul, Centro, CEP nº 93.600-400, enrolled with the Brazilian Taxpayer Registration under CNPJ/ME No. 05.366.731/0001-79 or affiliated company identified as the Seller therein ("Seller") and the party identified as the Buyer therein ("Buyer") (the Standard Terms and Conditions of Sale and the Sales Order Confirmation are collectively referred to herein as the "Order" or "Contract"). The terms of the Contract form a single agreement between the Parties.

Seller has agreed to sell the products described in the Order (the "Products") only on the terms and conditions contained in the Order and on no other terms and conditions unless amended by Seller in writing.

If the Buyer issues any contractual document in connection with this Contract, Seller rejects and refuses to accept all provisions which conflict with, add to, or subtract from the terms and conditions of Seller's Order. A written acknowledgement of Buyer's contractual document by Seller will not constitute an agreement in writing to any additional or different terms unless expressly so stated in the acknowledgement and then only to the extent stated.

### 2. ACKNOWLEDGEMENT

In addition to any other acknowledgement by Buyer, the delivery of a letter of credit to Seller to pay for the Products in accordance with the Order shall constitute a definite acknowledgement by Buyer that the Contract is subject only to these Terms and Conditions, except in the case of the proposal of an amendment, in writing, agreed between the Parties.

### 3. TERMINATION/CANCELLATION/ SUSPENSION OR STOPPAGE OF PERFORMANCE OR DELIVERY

The Order may not be terminated in whole or in part by Buyer without the prior written consent of Seller and the payment of reasonable adjustment charges.

In case of breach of this Contract default or repudiation by Buyer in the performance of any of its obligations under this Contract (including, without limitation, failure to pay for a shipment/delivery; or receivership or bankruptcy of Buyer; or if Buyer shall make an assignment for the benefit of creditors; or shall go out of business), at its option, Seller may (a) cancel the Sales Order or any part thereof; (b) suspend or stop performance of its obligations hereunder or delivery of the Products or (c) place Buyer on a cash-on-delivery basis without prejudice to or waiver of any other rights under the Contract or law.

Further agreed that in any such event described above, Seller may estimate its reasonable damages and may apply any down payment or balance thereof then on hand or set-off any amounts otherwise owed by Seller to Buyer pursuant to this Contract or any other agreement, to such estimate. Alternatively, Seller may, at its sole discretion, withdraw the Buyer's credit if the Buyer demonstrates financial incapacity for the present transaction.

Seller's remedies are cumulative and the exercise of any one or more shall not be construed as an election of remedies or waiver of any other remedies available to Seller.

### 4. EXCUSE OF PERFORMANCE

Delay in shipment, delivery, receipt or other non-performance of the Contract (specifically excluding the obligation to pay amounts due hereunder or comply with Seller's credit terms), in whole or in part, by Seller is excused if performance is hindered by fire, hurricane, flood, perils of the sea or other acts arising from unforeseeable circumstances or force majeure that do not arise from the management of the Seller, and the Seller shall be exempt from any liability for compliance within the period stipulated between the Parties.

Furthermore, the Seller shall not be held liable for performance under Orders due to, strike, failure of usual sources of raw material, war (whether declared or undeclared), riots, civil commotion, terrorism or sabotage, delay of carriers due to breakdown or adverse weather, embargoes; any applicable foreign or domestic government regulation or order whether or not it later proves to be invalid; Seller's import and export restrictions; or other contingency beyond the reasonable control of Seller ("Excuse of Performance").

Seller will promptly give written notice of excusable delays or non-performance to Buyer and the Order in effect between Seller and Buyer will be considered to be suspended without any right on the part of Buyer to charge any sums or any reasonable reason for cancellation of the Sales Order.

If performance by the Seller is delayed or prevented, the Seller shall have the right, at its option:

- (a) to cancel the Order to the extent of nonperformance, by written notice of cancellation to the Buyer; or
- (b) to ship the remaining quantities in one or more lots after the Excuse of Performance condition has ended.

The cancellation of an Order that has been partially performed does not excuse Buyer from the obligation to pay for Products partially delivered under the Sales Order. Under no circumstances will Seller be obligated to obtain product for delivery hereunder except from its usual and customary source(s) of supply and only on Buyer terms it deems reasonable in its sole discretion.

## **5. QUANTITY/QUALITY**

For packaged Products, the quantity and quality shall be as specified in the Order.

## **6. DISCLAIMER OF WARRANTIES AND RELIANCE; BUYER INDEMNIFICATION**

### **a. Warranties and Reliance**

The Seller represents that the Products are provided with the respective quality certificate.

Except for warranty of title, Seller makes no other representation or warranties, express or implied, including, without limitation, warranties of merchantability and fitness for a particular purpose, and Seller expressly disclaims all other representations to Buyer and any and all other obligations or liabilities on the part of Seller.

No person is authorized to give any other warranties or to assume any other liability on Seller's behalf unless made or assumed in writing by Seller.

Buyer specifically states that it is a sophisticated commercial buyer with knowledge of and experience with the Product. Buyer also states that it has not relied upon any declaration by Seller regarding the Product in entering into this Order and it has not relied upon Seller's advice or judgment, only upon its own judgment, investigation, and testing of the Product.

The Buyer acknowledges and declares that any suggestion of the Product made by the Seller does not bind or oblige the Buyer to acquire it, serving solely as technical guidance.



Buyer acknowledges that any or all Products supplied under this Order may be or become or considered hazardous material under various governmental laws and regulations and that Buyer or its agents are familiar with any hazards of the Products and its applications and handling of the various modes that the Product may be transported in. If Buyer believes or has reason to believe the information provided to Buyer by Seller is inaccurate or in any way insufficient for any purpose, Buyer will immediately inform Seller of such and provide Seller a reasonable opportunity to supplement or correct the information.

#### **b. Indemnification**

Buyer agrees to release, indemnify, defend and hold harmless Seller and its officers, shareholders, employees, agents and successors, from and against any and all claims, demands, suits, attachments, judgments, penalties, fines, liabilities, losses, damages (including incidental and consequential damages), costs and expenses (including reasonable attorneys' fees and costs of court) that may arise in connection with this Order, or result from or relate to the Products (whether in itself or in combination with any other material) or any hazard thereof after title and risk of loss to such Products have passed to Buyer (including, but not limited to, personal injury including illness and disease) to or death of any person (including employees of Buyer) or for damage to or destruction of any property. On behalf of Seller, and its agents, servants and/or employees, and in their name, Buyer will handle and/or defend, at its sole expense, any claim or litigation in connection with this Order; provided, however, that Seller reserves the right to handle such litigation with legal counsel of its own choosing at Buyer's expense.

Without limiting the foregoing, Buyer's agreement to indemnify Seller includes claims for damages based upon or resulting from the negligence of Seller, whether the negligence is ordinary, active, passive, joint, concurrent, or sole, but specifically excluding the grossly negligent or willful misconduct of Seller and the strict liability of Seller.

Buyer and Seller agree and stipulate that (i) these indemnification provisions are conspicuous and comply with and satisfy the Express Negligence Test and (ii) Buyer and Seller clearly intend to transfer the risk of loss for Seller's negligence to Buyer.

#### **7. TAXES**

The prices of the products traded by the Seller shall be defined based on the type of product and specific negotiations with the Customer. In addition to the contractual prices, Buyer shall bear all sales taxes, value added, use and excise taxes and or other taxes and similar charges which Seller is required to pay and which are levied directly upon the sale, transportation, storage, delivery or use of the product delivered hereunder (including any fuel tax for gasoline blendstocks, "superfund" tax and any other environmental tax or like charge assessed or imposed by any governmental authority but excluding franchise tax or tax levied against income of Seller) shall, unless Seller is required to pay such charges pursuant to the delivery terms, be paid by Buyer (or if paid by Seller, reimbursed by Buyer). The Seller reserves all applicable duty drawback allowances and any other tax credits it may be entitled to.

#### **8. PAYMENT/CREDIT**

Seller's duty to perform and Buyer's right to purchase is at all times subject to the approval, and continuing approval, of Buyer's credit by Seller.

The payment terms as stated in the Order by either Bank Slip, Letter of Credit or wire transfer, will be agreed between the Parties, based on Seller's credit policy and depending on the payment method chosen, the applicable instruction will be in force:

- **Bank Slip:** Buyer undertakes to pay the invoice sent by Seller by the due date of the invoice/invoice.
- **Letter of Credit:** The Parties agree that the form of payment of the Letter of Credit will be defined according to the type of product and the negotiation between the Parties.
- **Telegraphic (Wire) Transfer:** Wire transfer will be accomplished on the due date in the invoice as instructed by Seller.

The terms of payment state that Buyer will pay Seller's invoice in full with immediately available funds into a bank account designated by Seller no later than the due date stated as per the invoice and sales terms in the Order. Buyer acknowledges that the payment period starts to run exclusively from the date of invoicing of the Invoice. All payments for Products shipped under a Purchase Order shall be made in national currency (BRL). However, for Exports, orders will be paid in the currency of the United States of America (USD). Without prejudice to any other remedy or remedies of Seller hereunder or by operation of law, if Buyer fails to pay any amount due within three (3) calendar days after the due date, compound interest shall accrue on the overdue amount from the due date until the date of actual payment, at a rate of eight percent (8%) per month.

In addition, all legal costs arising therefrom shall be included, and the title shall automatically be sent to a notary's office for protest. Seller may suspend the supply of the Products to Buyer in the event of late payment, from the first day after the expiry of the agreed payment period, without incurring any fine or liability. Only after payment of the amount, with the appropriate interest, the products will be delivered.

No claim or dispute shall relieve Buyer of its obligation to timely pay any amounts properly invoiced by or claimed by Seller under this Contract. Any claim relating to defect or other deficiency in the product shall be asserted separately and resolved in accordance with the Contract terms. Buyer's payment obligations shall remain absolute and unconditional pending such resolution, and Buyer hereby waives any right of set-off, recoupment, or deduction against amounts owed to Seller.

## 9. SHIPMENT AND DELIVERY OF GOODS

Buyer is responsible for securing all necessary licenses, consent of any government or local authorities and other required freight, transit and import documentation for acquisition or use of the Products by Buyer. Failure to do so will not entitle Seller to withhold or delay shipment of the product/goods. Any additional expenses or charges incurred by Seller resulting from such failure will be for Buyer's account, that it will indemnify and hold Seller and its respective employees harmless from and against all costs (including attorneys' fees), claims, damages and expenses arising out of or in connection with any breach of this clause.

The Seller is only responsible for providing a commercial invoice and certificate of quality.

If the delivery terms of the Sales Order requires that Buyer undertake freight and/or arrange for the CARRIER (VESSEL/BARGE/TRUCK/RAIL TANK CAR), then Buyer is, where the delivery term requires, responsible ensuring that the carrier: (a) has all the relevant licenses, certificates and permits; (b) is eligible to trade to the places identified in the Sales Order; (c) has the necessary equipment and physical capacity and capability to safely load, carry and discharge the Products; (d) has tanks with the requisite cleanliness to safely load, carry and discharge the Products.

Buyer is responsible for and shall procure that the carrier complies with the safe handling/loading/unloading/transportation/transfer requirements of the Products under various international conventions/laws /regulations/decrees/directives. In the case of shipment or delivery in installments, any delays in or failure of shipment or delivery of one installment shall not be deemed a breach of contract giving rise to the right of Buyer to cancel the Order or refuse to perform with respect to other installments, if any.

The party responsible of ensuring the Products shall do so in respect of all risks of carriage associated with shipment, with insurers or companies of good repute. Insurance shall be provided in the agreed currency of the Sales Order. Unless otherwise explicitly agreed in the Sales Order any overage premium under Buyer's insurance policy will be for the account of and paid for by Buyer.

## 10. PRODUCT DELIVERY TERMS AND CONDITIONS

The customer can choose the type of delivery according to the following options:

**a) CIF (Cost, Insurance, and Freight)** – Seller shall be responsible for delivery to the address indicated by Buyer, including the cost of freight in the total value of the goods.

In the event of damage, Seller will take the necessary steps with the carrier to resolve the situation. If the Product requested by Buyer is available in stock, a new shipment will be sent to Buyer. Otherwise, and if the damaged product is unrecoverable, the order must be renegotiated, including new delivery conditions.

**b) FOB (Free on Board)** – Responsibility for the goods will be transferred to Buyer when they are picked up at the location indicated by Seller, the latter being exempt from any liability. If Buyer opts for cabotage transport, responsibilities will be adjusted in accordance with the applicable regulations and the terms previously negotiated.

The delivery time will be defined by negotiation and will vary according to the customer's location and the quantity purchased.

Seller may refuse to load/unload, transfer, or handle any product under any conditions it deems unsafe for any reason or cause whatsoever, including but not limited to: drivers, personnel, equipment, procedures and/or weather conditions. Seller may reject any rail cars, trucks, transports, pipelines, barges, vessels, containers or storage presented for loading/unloading/transfer which would present an unsafe or potential unsafe situation.

Each party's agents and employees will comply with all known safety regulations of the other when such agents or employees are upon the premises of the other in connection with the performance of this agreement.

At unloading points nominated by Buyer, Buyer will be responsible for providing a berth that the tow/barge/vessel may safely proceed to, lie at always afloat and safely depart from with Buyer being responsible for any wharfage/dockage/berth hire/quay or similar dues. To such extent allowed under the Order, if Buyer nominates a receiving vessel/barge at unloading point instead of a berth to receive the Products, Buyer will be fully responsible for costs, time, consequences, safety, operational effectiveness of such an operation.

If and to the extent, Buyer loads, unloads or ships hazardous materials pursuant to this agreement, Buyer hereby warrants that all hazardous materials will be prepared for shipment, loaded, shipped and unloaded in compliance with all applicable federal, state and local laws, rules and regulations regarding the handling and transportation of hazardous materials and Buyer will indemnify, defend and hold Seller harmless from all liabilities of whatsoever nature to which Seller may become subject as a result of Buyers failure to comply therewith.

## 11. COMPLIANCE WITH LAWS

Buyer shall comply with all governmental laws, rules and regulations applicable to this transaction, including, without limitation, all such laws, rules and regulations related to exports, imports, sanctions, the environment and safety. Buyer represents that they are aware of, know and understand the terms of the Brazilian anticorruption

laws or any others applicable to the subject matter of this Agreement, in particular the Administrative Improbability Law (Law No. 8.429/1992), the Anti-Asset Laundering Law (Law No. 9. 613/1996), the Clean Company Law (Law No. 12.846/2013 and its regulations and Decree-Law No. 2.848/1940 (together referred to as the 'Anti-Corruption Rules'). 613/1998), the Clean Company Act (Law No. 12.846/2013) and its regulations and Decree-Law No. 2.848/1940 (together referred to as the 'Anti-Corruption Rules'), undertaking to refrain from any activity that constitutes a violation of the provisions of these Anti-Corruption Rules.

Buyer, for itself and for its partners, administrators, directors, employees and agents who may act on its behalf, undertakes to conduct its commercial practices, during and for the fulfilment of this Contract, in an ethical manner and in compliance with the applicable legal precepts.

Buyer further represents and warrants that it has not made, offered, promised or authorized, directly or indirectly, in connection with the sale of Products under this Agreement, the payment of any money (including any payment to facilitate or expedite a government function):

- (a) to an official of any government, state-owned or government-controlled enterprise, political party or international organization, or to a political party, for the purpose of obtaining, retaining or directing business, obtaining any undue advantage or benefit, or to facilitate or expedite any action on his part or that of another government official; or
- (b) to an agent, representative, intermediary or employee of another company without the knowledge and consent of that company, with the intention of influencing the actions of the recipient in relation to the business or affairs of his company, or of obtaining any undue advantage or benefit to the detriment of his company.

Buyer also states and warrants that it will not make, offer, promise or authorize such payment.

Any breach of the Anti-Corruption Rules by Buyer (either directly or through its directors, agents, representatives, collaborators, employees, third parties and/or subcontractors of any kind) of the terms of this Clause shall be considered a serious offence and may, at Seller's sole and exclusive discretion, give rise to contractual termination for cause, irrespective of any notification and without any burden or penalty for Seller, which will automatically result in the right to withhold the Order and the suspension of the fulfilment of other obligations under this Contract, as well as the obligation to pay a contractual fine and indemnify Seller for any losses and damages suffered, under the terms of this order and applicable laws.

## **12. APTA'S RULES OF BUSINESS CONDUCT**

Seller values and maintains a commitment to integrity in all commercial operations carried out with its partners. In the same vein, Seller expects its agents, representatives, customers, consultants, business partners, suppliers and any party involved in Seller's operations to maintain a commitment to integrity. Seller will not tolerate any illegal or unethical conduct on the part of its agents, representatives, customers, consultants, business partners, suppliers or third parties with whom it conducts business, and must immediately report to the company any suspicions of illegal, unethical or improper conduct of which it becomes aware during the execution of activities related to Seller's business.

In view of this, its agents, representatives, clients, consultants, business partners, suppliers or third parties with whom it carries out business operations are prohibited from engaging in or participating in, or authorizing or assisting anyone to carry out, a transaction involving:

- (1) the receipt, transfer, transportation, retention, use, structuring, diversion or concealment of the proceeds of any criminal activity, including drug trafficking, fraud and bribery of an official of any government,

government-owned or controlled company, political party or international organization, or for a political party itself; or

(2) financing or financially supporting, or otherwise sponsoring, facilitating or giving aid or comfort to any terrorist person, activity or organization; or

(3) the end use of Seller's products in the research, design, support, development, use, construction or any other activity related to weapons or ammunition, missiles or rocket systems, nuclear energy or weapons, chemical or biological weapons or their precursors, or delivery systems for such weapons; or

(4) a person, entity or country that is:

(a) identified in publicly available records or published lists as a party in respect of which the US, UK or any other government has prohibited financial transactions involving that party's assets (e.g., Iran, Syria, Sudan, Cuba, North Korea and the Crimea/Sevastopol region);

(b) designated in lists published by the United Nations as a foreign terrorist organization or an organization that assists or provides support to a foreign terrorist organization; or

(c) identified in publicly available records as having been convicted, found guilty or against whom a judgement or order has been passed in any proceeding for violation of anticorruption or bribery, anti-money laundering or international anti-terrorism laws, or whose assets have been seized, blocked, frozen or ordered to be confiscated for violation of money laundering or international anti-terrorism laws.

All Products shall be shipped to the port of destination specified in the Order, and Buyer is prohibited from shipping, delivering or re-exporting any Products supplied under the Order to any country other than the country of the port of destination, unless otherwise agreed.

Buyer shall indemnify, defend and hold Seller harmless from and against all costs (including, without limitation, professional fees, penalties and interest), claims, damages, assessments, lawsuits, judgements, fines, settlements, penalties and liabilities (whether joint or several), regardless of amount, to the extent arising out of, caused by or resulting from a material breach of Buyer's obligations under this Section.

### **13. ASSIGNMENT**

The Buyer shall not assign the whole or any part of its rights, interests or obligations hereunder directly or indirectly without prior written consent of the other party and any attempt to do so shall be null and void, except that Seller may assign this Contract and/or any of its rights or obligations to any affiliated or related company upon giving notice. Nothing in this Contract shall be deemed to create any right in any creditor or other person or entity not a party hereto and this Contract shall not be construed in any respect to be a contract, in whole or in part, for the benefit of any third party.

### **14. TITLE TO AND RISK OF LOSS OF PRODUCTS**

Notwithstanding any provision to the contrary, title and risk in the Products shall transfer from the Seller to the Buyer upon clearance of the goods for export or upon delivery and loading to the carrier, at which point the Seller's responsibility shall cease.

### **15. INCOTERMS**



Where not in conflict with this Contract, Incoterms 2020 ("Incoterms"), international rules for the interpretation of trade and commerce issued by the International Chamber of Commerce - ICC in Paris, France or any official revision thereof as amended from time to time shall apply to this Contract.

The terms of this Agreement shall prevail to the extent that there is any inconsistency or ambiguity between the terms of this Agreement and any such Incoterms.

## **16. JURISDICTION**

The courts of Estância Velha/RS are hereby elected to settle any legal dispute arising from this Contract, and the Parties waive any other jurisdiction, however privileged it may be.

## **17. APPLICABLE LAW**

The rights and obligations arising from the transactions between Seller and Buyer under this Agreement, as well as the rights of the Parties, shall be governed by, construed and enforced in accordance with the laws of the Federative Republic of Brazil.

## **18. ENTIRETY OF AGREEMENT; SEVERABILITY**

This Contract constitutes the entire understanding and agreement between the Parties with respect to the subject matter hereof and supersedes and cancels all previous written and oral agreements, understanding whether written or verbal, other than those arising from this Contract. If any provision contained in this Contract is found to be invalid, illegal or unenforceable in any way, the validity, legality or enforceability of the other provisions contained in this Contract shall not be affected or impaired in any way by virtue of such fact. The Parties shall negotiate in good faith the replacement with valid, legal and enforceable provisions whose economic effect comes as close as possible to the economic effect of the provisions deemed invalid, illegal or unenforceable.

## **19. CONFIDENTIALITY**

Each Party shall keep confidential any information in relation to the Order, the Products or the performance pursuant to this Order, except and insofar as a disclosure will be reasonably required for the performance pursuant to the terms of the Order, or will be required otherwise pursuant to any Court Order, order of any authorities or towards any person pursuant to mandatory law.