



Standard Commercial Terms and Conditions of Purchase

FCT-Combustion Inc. - EIN 23-3031647

FCT Combustão Brasil Importação e Exportação Ltda. CNPJ26.182.529/0001-67

1. Applicability.

- a) These terms and conditions of sale (these "Terms") are the only terms which govern the purchase of the goods ("Goods") and services ("Services") by FCT-Combustion, Inc. and/or FCT Combustão Brasil Importação e Exportação Ltda or any associated or subsidiary companies hereinafter referred to as the ("Buyer").
- b) The Buyer will not be bound by any purchase order ("Purchase Order") unless it is issued on the Buyer's official form;
- c) The Seller recipient of the Purchase Order ("Seller") and Buyer, are collectively referred as ("Parties").
- d) Any variation to these Terms must be mutually agreed upon, in writing, by both Parties.
- e) These Terms comprise the entire agreement between the parties, and supersede all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral. This Agreement supersede any other general terms and conditions of purchase regardless whether or when Seller has submitted such terms, unless amended by a signed written agreement from both parties' legal representatives.
- f) Notwithstanding anything to the contrary contained in this Terms, Buyer may, from time to time change the Goods and / or Services without the consent of the Customer provided that such changes do not materially affect the nature or scope of the Services, or the fees or any performance dates set forth in the Sales Order Confirmation.

2. Delivery of Goods.

- a) Any Goods and/or Services delivered to the Buyer which are not covered by the Purchase Order or by a Buyer approved variation of a Purchase Order, shall be returned to Vendor at Vendor's sole risk and expense.
- b) Vendor shall deliver the Goods to the delivery point (the "Delivery Point"), as specified in the Purchase Order, using Seller's standard methods for packaging and shipping at no additional expense to the Buyer.
- c) Vendor shall be responsible for all costs and fees associated with the return of any of the Goods. Vendor shall be liable for all related risks and expenses in connection with such return.



- d) Vendor acknowledges that time is of the essence with respect to one or more of its obligations hereunder. If Vendor fails to supply any of the Goods in the specified time frame pursuant to the related Purchase Order, the Buyer may purchase the Goods elsewhere and charge the Vendor for the difference, if any, between the cost of such replacement Goods and the price the original Goods.
- e) If the Vendor does not fulfill the Purchase Order by the agreed upon delivery date or within a reasonable time thereafter, the Buyer may terminate the Purchase Order by providing written notice of such termination to the Vendor.
- f) All shipments of Goods shall include a referenced purchase order number and invoice indicating the type and quantity of the Goods shipped.
- g) If Vendor delivers more or less than the quantity of Goods ordered, the Buyer may reject all or any excess Goods. Any such rejected Goods shall be returned to the Vendor, at the Vendor's sole risk and expense.
- h) Title and risk of loss passes to Buyer upon delivery of the Goods at the Delivery Point.

3. Quality of Goods and Warranty.

- a) The Goods shall be equal, or better than, in all respects to the samples, patterns, specifications, etc., notated in the Purchase Order. If no samples, patterns, specifications, etc. are notated in the Purchase Order, then the Goods shall be of the best material and workmanship, as reasonably determined by the Buyer.
- b) If any Goods are inferior in quality, defective or not in accordance with the Purchase Order, the Buyer may reject all or a portion of the Goods at Vendor's sole risk and expense.
- c) If requested, the Vendor shall provide the Buyer or the Buyer's representative with reasonable access to the Vendor's premises for the purpose of inspecting Vendor's manufacturing process of the Goods. Under no exception may the Buyer's representative accept Goods on behalf of the Buyer.
- d) If the Vendor supplies any Goods with inferior quality, the Buyer may purchase the Goods elsewhere and charge the Vendor for the difference, if any, between the cost of such replacement Goods and the price the original Goods.
- e) Vendor warrants to Buyer that for a period of twenty-four (24) months from the date of shipment of the Goods or for a period of eighteen (18) months from the date of completion of equipment commissioning, whichever is earlier ("Warranty Period"), such Goods and Services will be free from material defects in material and workmanship.
- f) Vendor shall, within 15 days from the written notice from Buyer, either: (i) repair or replace such Goods (or the defective part) or (ii) credit or refund the price of such Goods at the pro-rata contract rate not to exceed limitation of liability of this Terms. If Vendor fails to remedy the defective parts or equipment, Buyer has the right to fix it and back charge to Vendor.



- g) In the case of a replacement during warranty Vendor shall extend the warranty for an equal period of twenty-four (24) months from the date of shipment of the Goods or for a period of eighteen (18) months from the date of completion of equipment re-commissioning.
- h) For the avoidance of doubt, this warranty does not apply to (i) replacement or repairs which are required as a result of negligent use, improper installation by others, maladjustment, modification or lack of routine maintenance, (ii) any products subject to neglect, improper use or any alteration, repair or replacement made without Vendors prior approval.
- i) Any goods that are supplied under replacement shall be supplied at final destination requested by Buyer. Vendor is liable and shall pay for all associated freight, insurance, taxes, imposts, duties and levies concerning such replacements or repairs.
- j) Erection, installation, manpower and any other resources and direct or indirect costs or expenses to substitute the defective parts are covered by this exclusive limited warranty.
- k) OTHER THAN THIS WARRANTY, VENDOR MAKES NO OTHER WARRANTY OF ANY KIND WHATSOEVER, EXPRESSED OR IMPLIED; AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE WHICH EXCEED THE AFOREMENTIONED OBLIGATION ARE THEREBY DISCLAIMED BY VENDOR AND EXCLUDED FROM THIS PURCHASE ORDER.

4. Vendor's Obligations Regarding Services.

- a) Vendor at all times during the course of these Terms, maintain, all necessary licenses and consents and comply with all applicable laws in order to render its services.
- b) Vendor shall maintain any of the Buyer's equipment in its possession in good working order and shall not dispose of or use such equipment other than in accordance with the Buyer's standard procedures.

5. Intellectual Property.

- a) The Vendor shall pay all royalties and fees of patented articles, processes, registered designs or other intellectual property.
- b) The Buyer shall remain the sole owner of the all patterns, drawings and any other intellectual property, (the "Intellectual Property") supplied to Vendor.
- c) The Vendor shall replace, free of charge, any patterns, drawings or other property of the Buyer which may be lost, damaged or destroyed while such property is in vendor's possession.

6. Price and Payment.

- a) The price of the Goods or the services rendered is the price (the "Price") set forth in the Purchase Order. Unless otherwise specified, the Price includes all packaging, shipment fees, custom duties and fees and



applicable taxes, including but not limited to all sales, use or excise taxes. If Vendor sells any Goods by weight, the weight of all packaging, containers, wrappers, bands, iron ties, etc., shall be excluded when calculating the weight of such Goods.

- b) Vendor shall issue an invoice to the Buyer upon the completion of the delivery or shortly thereafter. The Buyer shall pay all properly invoiced amounts due to the Vendor within 60 days' after Buyer's receipt of the invoice, with the exception of any amounts disputed by the Buyer in good faith.

7. Shipping & Packaging

- a) 30 days prior to Readiness, Vendor shall provide:
 - i. suggested routing & transport mode of each lot showing Sea Port / Airport and Land route (Origin),
 - ii. estimated number of containers/truckloads and/or preliminary break bulk list.
 - iii. estimated Readiness date and number of lots per location.
 - iv. electronic copies of Packing List must be sent to the email address indicated at Purchase Order.
- b) Heavy packages shall have the clear center of gravity and lifting points marked.
- c) Packing should be adequate for the means of transport to be used being land, air, sea. Most of the severe stresses do not occur during transport itself, but instead during cargo handling (due to impact, pushing, overturning etc.). Vendor shall remain fully responsible for selecting suitable materials for proper packaging. The Vendor shall provide written instructions for the removal of protective coatings and devices.
- d) Standard ISPM 15 and treatment of wood products shall apply to this order. A Certificate shall be provided for the wood used in packaging, and/or wood shall be stamped with "ISPM 15" Mark to certify compliance to international shipping standards.
- e) Tagging & Labelling
 - i. Tagging - The purpose of tagging is to identify each equipment, material, parts, tool, etc. shipped as cargo with the packing list and/or drawings. After filling necessary descriptions with required format, the tag shall be attached to all individual equipment, material parts, tools, etc. Tags shall be printing in large fonts and easily identifiable. Vendor's standard tag form is acceptable, if it provides all required information like - Equipment number & name, Part number and name, Serial number and Drawing number.
 - ii. Fittings, apparatus, accessories, and all other items of a minor item that are part of, but not attached to, the equipment shall be tagged.



- iii. Tags shall be of durable weather resistant material firmly attached to each item and mark numbers shall correspond to those of the approved drawings and Packing List.
 - iv. Items requiring inside storage shall be conspicuously marked.
 - v. Fasteners shall bear identification tags corresponding to the equipment numbers, approved drawings, and Bill of Material.
 - vi. Labelling on the other hand is required on each package, break bulk item etc. to identify, track and store the items. Vendor shall provide and email photos of packaging with labels.
- f) Label must be waterproof and withstand long term storage, any questions contact FCT Logistics.
- g) The cargo label shall contain the at least following information:
- i. Shipment/Consignment Number:
 - ii. Packing List Number:
 - iii. Project Name, Location & Address:
 - iv. Contract reference number:
 - v. Vendor Name/Sub Vendor Name:
 - vi. Equipment Number:
 - vii. General Description:
 - viii. Storage: (Ex. Indoor/Outdoor)
 - ix. GWT:
 - x. NWT:
 - xi. Package Size L(cm) x W(cm) x H(cm):
- h) All markings on equipment, crates and packages shall be fadeless to withstand for long period of transportation, storage, strong sunlight, and/or other atmospheric conditions at the plant site. The main shipping mark shall be stenciled with black, indelible, and waterproof paint in English on the two opposite sides of each package in capital letter with the following size. In case the surface of a package is too small to permit stenciling, sheet metal tags bigger than 200mm x 150mm in size shall be securely fastened to cargo at least on two opposite ends.



- i) Packing List (One Copy) shall be attached to each shipping case and shall be marked "Packing List enclosed." Attach Packing List in a waterproof envelope if shipment is not boxed.

- j) Vendor's Obligations and Responsibilities
 - i. Vendor shall be solely responsible for packing and marking of cargo with respect to handling, transport. Vendor shall be fully liable for proper, sufficient and adequate packing, completeness of contents, and protection of contents for a transit time (minimum of 3 months) and storage (minimum of two [2] years) under project site conditions, and correct preparation of the packing list.
 - ii. Vendor shall give recommendations for any preventive action to be taken during two-year storage under site conditions.
 - iii. Vendor is held solely and entirely responsible for ensuring that the packing is suitable for transit and jobsite storage while awaiting erection or installation
 - iv. Packages containing fragile articles shall be appropriately packed and in addition to the words "FRAGILE-HANDLE WITH CARE" being stenciled on two opposite sides, internationally recognized symbols shall also be used "THIS SIDE UP"
 - v. Spare part for two years operation, which shall be individually tagged, must be covered with a suitable preservative, and wrapped with greaseproof paper and be packed in separate cases from the prime item. The cases are to bear the markings as specified and in addition the words "SPARE PARTS FOR TWO-YEARS OPERATION."
 - vi. Commissioning spares shall be shown as commissioning spares on packing list.
 - vii. All internal components and accessories of equipment and plate work not installed by Vendor at workshop, such as small parts, bolts, nuts, gaskets, etc. shall be packed in wooden cases separately for each equipment and marked with the same equipment number as the equipment in order to protect all parts from loss or damage in transit. Internals, bolts and gaskets for service/ testing operations shall be supplied with the vessels/ items by Vendor and all internal, boxed separately and marked according to marking procedure; each item shall be supplied correctly and identified for field installation by others.

- k) Structural Steel and Piping Materials
 - i. Pipe, structural steel sections and plates, shall be strapped in bundles. Rolled and shaped plates shall be provided with suitable bracing to eliminate distortion during transit and shall be bundled in uniform lengths. The weight of each bundle shall be within the bracing strain of the steel wrapping. Each bundle shall be marked with a metal tag, hard stamped, secured under steel wrapping. Each bundle shall contain items from the same structure and in the case of the



Preheater Tower the same level. All small steel sectional handrail stanchions, gusset plates etc. shall be boxed.

- ii. All flanges, machined working surfaces and threaded parts of all equipment shall be suitably protected. All valves and fittings (pipe elbows, flanges, etc.) shall be suitably protected. All treaded fittings shall be greased and provided with plastic caps.
 - iii. Fittings (valves, pipe elbows, flanges, etc.) must be packed in wooden cases and must be protected. All valves and fittings (pipe elbows, flanges, etc.) shall be suitably protected and their method of shipment shall be in wooden cases having adequately designed interior support with interior waterproof protection.
- l) Wear protection tiles and Castable shall be suitably packed per Vendors' recommendations
 - m) All packages containing Electrical Equipment, instruments and panels should be properly labeled with "ELECTRICAL EQUIPMENT" and in addition to the words "HANDLE WITH CARE" being stenciled on two opposite sides, internationally recognized symbols shall also be used "This Side Up".

8. Termination.

- a) The Buyer may terminate the Purchase Order if the Vendor: (i) does not perform or comply with any of these Terms, in whole or in part; or (ii) becomes insolvent, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization, or assignment for the benefit of creditors.

9. Indemnification.

- a) Vendor shall defend, indemnify and hold harmless Buyer and its subsidiaries, affiliates, successors or assigns and its respective directors, officers, shareholders and employees (collectively, "Indemnitees") against any and all loss, injury, death, damage, liability, claim, deficiency, action, judgment, interest, award, penalty, fine, cost or expense, including reasonable attorney and professional fees and costs, and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers (collectively, "Losses") arising out of or occurring in connection with the Goods and services purchased from Vendor or Vendor's negligence, willful misconduct or breach of these Terms.
- b) Vendor shall, at its expense, defend, indemnify and hold harmless the Buyer and any Indemnitee against any and all Losses arising out of or in connection with any claim that the Buyer or Indemnitee's use or possession of the Goods or use of the services infringes or misappropriates the patent, copyright, trade secret or other intellectual property right of any third party.
- c) In no event shall Vendor enter into any settlement without the Buyer or Indemnitee's prior written consent.

10. Confidential Information.



- a) All information of the Buyer, including but not limited to, the technical details, engineering data, Intellectual Property, marketing procedures, financial information, all software whether system software or application software and whether in source code or object code, details of algorithms of such software, and all additions, amendments, modifications or improvements to such software, designs, plans, documents, data, business operations, customer lists, pricing, discounts or rebates, disclosed by Buyer to Seller, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential" in connection with these Terms is confidential, solely for the purpose of performing these Terms and may not be disclosed or copied unless authorized in advance by the Buyer in writing. Upon the Buyer's request, Vendor shall promptly return all documents Intellectual Property and other materials received from Buyer. Buyer shall be entitled to injunctive relief for any violation of this section.

11. Advertisement.

- a) Without the Buyer's prior written approval, Vendor shall not advertise or announce the it supplies Goods or services to the Buyer.

12. Insurance.

- a) Vendor shall, at its own expense, maintain and carry insurance, in full force and effect including, but not limited to, (i) commercial general liability for bodily injury, death and property damage, including comprehensive form, premises and operators, product liability and completed operations, independent contractors, personal injury, contractual and broad form, property damage liability coverages, within minimum limits of \$5,000,000 for bodily injury, death and property damage each or per occurrence and \$5,000,000 general aggregate, (ii) workers compensation insurance (with statutory limits as required by law), (iii) employers liability insurance within a sum no less than \$500,000 per accident and (iv) comprehensive automobile liability insurance covering owned, non-owned and other vehicles, within minimum limits of \$5,000,000 bodily injury, death and property damage per occurrence. The minimum limits of coverage required by these Terms may be satisfied by a combination of primary and excess or umbrella insurance policies.
- b) Upon Buyer's request, Vendor shall provide the Buyer with a certificate of insurance from Vendor's insurer evidencing the insurance coverage specified in these Terms. The certificate of insurance (except for Workers Compensation) shall name Buyer as an additional insured.
- c) Vendor shall provide Buyer with thirty (30) days' advance written notice in the event of cancellation or material change in Vendor's insurance policies. No such cancellation, modification or change shall affect Vendor's obligation to maintain the insurance coverages required by these Terms.
- d) All liability insurance policies shall be written on an occurrence policy form and be issued by a financially sound and reputable insurer, acceptable to Buyer.



- e) Vendor shall be responsible for payment of any and all deductibles from insured claims under its insurance policies. Vendor shall not perform any services or provide any Goods under these Terms, unless and until evidence of such insurance, including renewals thereof, has been delivered to and approved by the Buyer.
- f) Vendor shall not self-insure any of the insurance coverages required by these Terms without the prior written consent of the Buyer.
- g) Vendor shall protect the Goods and services from damage or loss and shall exert all reasonable efforts to protect the Buyer's property from damage or loss arising in connection with the Purchase Order.
- h) Vendor shall bear the full risk of, and shall make good of such damages or losses in connection to the goods.
- i) Vendor, at its discretion, shall insure or self-insure risk of loss of or damage to Vendor's tools, equipment and other property used in connection with the work. Buyer, at its discretion, shall insure or self-insure risk of loss of or damage to Buyer property, other than the work.
- j) The maintenance of this insurance shall not in any way operate to limit the liability of Vendor to Buyer under these Terms.

13. Limitation of Liability.

- a) Nothing in this Terms shall exclude or limit the Vendor's liability for fraud, personal injury or death caused by its negligence or willful misconduct.

14. Assignment.

- a) Vendor shall not assign, transfer, delegate or subcontract any of its rights or obligations under this Terms without the prior written consent of Buyer. Any purported assignment or delegation in violation of this Section shall be null and void. No assignment or delegation shall relieve the Vendor of any of its obligations hereunder. The Buyer may at any time assign or transfer any or all of its rights or obligations under this Terms without the prior written consent to any affiliate or to any person acquiring all or substantially all of the Buyer's assets.

15. Governing Law.

- a) FCT-Combustion Inc. - EIN 23-3031647 - All matters arising out of or relating to these Terms are governed by and construed in accordance with the laws of the State of Florida without giving effect to any choice or conflict of law provision or rule (whether of the State of Florida or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than those of the State of Florida or,
- b) For FCT Combustão Brasil Importação e Exportação Ltda. CNPJ26.182.529/0001-67 - All matters arising out of or relating to these Terms are governed by and construed in accordance with the laws of the Federative Republic of Brazil without giving effect to any choice or conflict of law provision or rule (whether



of Federative Republic of Brazil or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than those of the Federative Republic of Brazil.

16. Submission to Jurisdiction.

- a) FCT-Combustion Inc. - EIN 23-3031647 - Any legal suit, action or proceeding arising out of or relating to this Terms shall be instituted in the federal courts of the United States of America or the courts of the State of Florida in each case located in the City of Fort Lauderdale and County of Broward and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding or;
- b) For FCT Combustão Brasil Importação e Exportação Ltda. CNPJ26.182.529/0001-67 - Any legal suit, action or proceeding arising out of or relating to this Terms shall be instituted in the federal courts of the Federative Republic of Brazil or the courts of the State of São Paulo in each case located in the City of São Paulo and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding.

17. Notices.

All notices required or authorized to be given hereunder shall be in writing, delivery confirmation requested, or by personal delivery to Adriano Greco adriano.greco@fctinternational.com