

**PURCHASE ORDER STANDARD TERMS AND CONDITIONS**  
**For the purchase of direct material by Atmus Filtration Technologies Inc.,**  
**its subsidiaries, and affiliates (“ATMUS”)**

**PRECEDENCE:**

If there is a conflict between these Supplier Terms and Conditions, the information on the face of a PO, or any attachments to the PO, the terms on the face of the PO shall take precedence over the Supplier Terms and Conditions, and these terms shall take precedence over any other attachment. If the PO is issued in conjunction with a detailed contract between the parties, the terms of the detailed contract will take precedence over all other terms. Any additional or conflicting terms or provisions in other documents provided by Supplier relating to such purchase shall not apply to such purchase and are hereby rejected by Buyer.

**PURCHASE CONDITIONS**

**1. ACCEPTANCE**

1.1. For the purposes of the clauses contained in this document, “Buyer” means Atmus Filtration Technologies Inc., its subsidiaries and affiliates which issues a Purchase Order to the Supplier under these Supplier Terms and Conditions; “Supplier” means the supplier or seller or the contractor identified on the face of this PO and its agents and representatives; “Specifications” means all applicable blueprints, Product specifications, the provisions on the face of this PO and any attachments to it.

1.2. As used in this document, the term “Purchase Order” or “PO” or “Order” refers to the hardcopy or electronic form for designating the Supplier, the supplies and other terms of transaction plus these terms and conditions.

1.3. Supplier acknowledges and agrees that the continuous supply of the Product ordered by Buyer from Supplier pursuant to this PO is critical to the commercial interest of Buyer. By accepting this PO, Supplier undertakes an obligation to provide Buyer with written notice (“Last-time Buy Notice”) no less than ninety (90) days prior to Supplier reducing, discontinuing, suspending, or relinquishing its ability to supply each Product ordered pursuant to this PO.

**2. PRICE AND ADJUSTMENT**

2.1. The price established in this Order is solid and may only be altered with the written agreement of the Buyer through an “Purchase Order Alteration”.

2.2. Price adjustments are only considered by the Buyer when submitted to it at least 30 (thirty) days before the effective date proposed by the Supplier.

2.3. The Buyer may ask for a price reduction since a reduction in any of the price components is undoubtedly verified.

2.4. The Buyer has the right to modify or cancel this Order if the new price asked by the Supplier, in the terms of the previous clause, is not convenient to the Buyer, even if the new price is justified.

2.5. Payment Terms are 90 (ninety) days or such number of days as prescribed under the prevailing statutes, as applicable.

**3. DELIVERY**

3.1. Unless otherwise specified in the Purchase Order, all Products will be sold FCA Supplier’s Facility Incoterms 2020, and all delivery terms will be interpreted in accordance with the most recently published International Chamber of Commerce Incoterms.

3.2. The Products are going to be delivered at the address and area defined by the Buyer. Title and risk in the Products will pass to the Buyer on completion of delivery and upon inspection and acceptance of the Products by the Buyer at a destination specified by the Buyer. Time for delivery shall be of the essence of the contract period.

3.3. The Buyer has the right to refuse to receive or to return any extra amounts or amounts that were delivered after the deadline, or even cancel this Order. In such cases the Buyer will not suffer any losses when receiving its refund for the damages that may have arisen from the non-compliance of these conditions.

3.4. The Buyer may issue a Purchase Order with estimated amounts and the actual amounts are subject to confirmation via a Delivery Authorization.

3.5. The Supplier is always required to deliver, regardless of the amounts defined by the Delivery Authorization.3.6. Except as agreed in writing by Buyer, Supplier shall fund all tooling, gauging and facilities necessary for the Products, whether standard or unique to the manufacture the Products. Supplier shall provide to Buyer with detailed descriptions of the tooling and related information to provide assurance that Supplier is utilizing tooling at world-class market levels. Supplier shall maintain, repair and replace, at its own expense, all tooling, gauging and facilities necessary for the Products. Supplier shall keep all such tooling, gauging and facilities in good working order and condition, fully covered (replacement value and cost) by insurance and free from liens and other encumbrances. Supplier shall not make any changes to the specifications, physical composition, location, tooling, sub-tier suppliers or processes used to manufacture the Products without obtaining Buyer's prior consent. Unless otherwise approved in writing by Buyer, Supplier shall not use Buyer-unique tooling or tooling otherwise funded in whole or in part by Buyer, to manufacture, recondition or repair Products except for sale to Buyer or to a third party approved by Buyer.

#### **4. PACKAGING, TRANSPORTATIONS AND RISKS**

4.1. The Products must be packed according to the specifications of the Buyer, or if there are none, the packaging must be done in an adequate manner for the transportation and storage.

4.2. The Supplier must bear the costs of packaging, transportation, insurance, as well as the costs that the Buyer may have in case it needs to return, correct, or recover any Products that, due to manufacturing problems, damages during transportation, inadequate packaging, etc., are not in accordance to the standards of the Buyer, in perfect conditions of use.

4.3. The Supplier is responsible for risks during transportation and storage of the Products in accordance with the applicable Incoterm.

4.4. The Buyer shall not be responsible for any accident that Supplier or persons designated by the Supplier may suffer in places of its premises where there is no justification for their presence and/or provided that the victim has not complied with the safety rules of the Buyer.

#### **5. DEBIT, BILLING AND CHARGES**

5.1. The Supplier must pay close attention to the place of delivery of the goods, numbers of registration in the State and National Register of Legal Entities and address for billing, indicated in this Order.

5.2. Invoices must be issued with absolute clarity and with strict observance to the legal and tax provisions. The Buyer will not accept invoices that exceed 05 working days from the date of issuance.

5.3. The Supplier must ALWAYS indicate on the invoice the Purchase ORDER NUMBER Above / Delivery Authorization.

5.4. Invoices may contain several Product items in the same Purchase Order, provided they are of the same Tax Classification and must be unloaded at the same receiving area.

5.5. The Supplier, whenever possible, must attach the Bills to the copies of the Invoices accompanying the Products. If this is not possible, the bills must be sent as soon as possible to the Buyer's Accounts Payable Sector. Without it, the payment processing will not continue.

5.6. The Invoices that are the Buyer's responsibility shall be paid and presented for charges and/or payment only at the address of the Buyer, indicated in this Order.

#### **6. TECHNICAL STANDARDS, PRE-INSPECTION AND EXAMINATION AND ACCEPTANCE OF SHIPMENTS**

6.1. The Buyer may condition the acceptance of any Products to their pre-examination, total or partial, and will have a period of 30 (thirty) days to complain about and/or return, totally or partially, the Products, due to defects or hidden flaws and/or due to non-observance of specifications, standards, designs, samples, or other indications provided by the Buyer, without prejudice to its right to do so at any time after that period, even after the Products were accepted and paid for, considering that only through their use such defects, flaws, and/or non-observances may be verified.

6.2. Such flaws, defects and/or non-observance of specifications and other technical indications found in part of a shipment, are enough to justify the rejection and return of the entire shipment at the discretion of the Buyer.

6.3. Regarding returning the goods, pursuant to items 6.1. and 6.2. above, the Buyer will not pay or replace any materials used in the tests and examinations performed.

6.4. The rejected Products will be made available to the Supplier or returned to it, and the expenses and risks with transportation are its responsibility.

6.5. The risks that may arise from the possibility to recover or not the taxes already paid or that should be paid over the returned Products are also the exclusive responsibility of the Supplier.

6.6. All returns made by the Buyer are considered final, and Products serving as replacement will not be accepted. The returned Products may only go back to the Buyer through a new debit and under the normal process of sale, obeying all terms of this initial Purchase Order, provided that the Buyer has already duly authorized it.

6.7. The Buyer is hereby authorized to deduct from the first payment due to the Supplier, the value of the Products due, which have already been paid, the value of the expenses resulting from returns (freight, packaging, etc.), price or amounts differences and advance payment.

6.8. The Supplier undertakes to regularize, with the Banks or third parties, the trade bills whose value has been modified due to the provisions of item 6.7, under penalty of civil and criminal proceedings for moral damages or damages that, due to their omission, are entailed to the Buyer, with the charging, protest or execution of such bills.

## **7. PROPERTY RIGHT**

7.1. Products manufactured with brands, designs and specifications provided by the Buyer, may only be manufactured for this Buyer and never to third-parties, under no pretense. The Supplier shall also maintain absolute secrecy over the technical data that were entrusted to it.

The Supplier guarantees that, regarding the Products covered by this Order, there is no judicial or out-of-court doubts about the patents, brands, designs, industrial models, utility models or any other privileges of third-parties, and takes responsibility for the consequences of any complaints about real or supposed infractions, to such rights, including for the defense of the Buyer and its successors and assignees.

7.3. The Supplier may not mention, as an advertisement element, Purchase Orders, Approval Reports, or any other document received by the Buyer.

## **8. WARRANTY**

8.1. Supplier warrants good title in that Products will conform to contract and be fit and sufficient for the purpose intended, merchantable, of good material and workmanship and free from defect. These warranties shall survive acceptance and shall run to Buyer and Buyer's successors, assigns, customers and users.

8.2. Supplier will not change its specifications, materials, material suppliers or production of testing process or locations, without the prior notice to and written approval from Buyer and assuring that such change will have no effect on the Product's conformity to contract.

8.3. In the event of a breach of warranty, or if any Products do not conform to contract, Buyer may, at its sole discretion: (a) reject such Products and require Supplier, at Supplier's expense, including transportation cost, to inspect, sort out non-conforming Products, rework non-conforming Products to render such Product conforming, or scrap the non-conforming Product and replace such Products in a timely manner to insure Buyer's production weight is maintained; (b) rework any such Products at Supplier's expense basing charges on Buyer's then-current hourly rate; or (c) cancel the Purchase Order, in whole or in part, without charge to Buyer. In the event a third party is brought into inspect, sort or rework the non-conforming Products by Supplier; the third party shall be subject to the reasonable approval by Buyer. Additional Buyer entity charges may be incurred. These include scrap, rework, engine damage, tear down/re-test expenses, premium freight, assembly disruptions/work stoppage, administrative expenses, etc. The parties involved will negotiate these charges in good faith.

8.4. Supplier waives its right to any mechanic's or other lien for work done or material furnished hereunder and agrees that no such lien will be asserted. Supplier will obtain for Buyer, before final payment, similar waivers or releases of lien rights from everyone supplying labor and or material for Supplier. Supplier shall hold Buyer harmless from and promptly satisfy any and all such liens and claims.

## **9. RETURN**

9.1. This order may be considered terminated in its own right, without liability of any nature to the Buyer, regardless of judicial summons or judicial or out-of-court notification, in the following cases:

- a) If force majeure occurs, such as strike, fire, revolution, war, which result in the total or partial stoppage of Buyer's activities, making it impossible to provide continuity to its normal production.
- b) In the event of the Supplier's bankruptcy, recovery or insolvency.
- c) If the Supplier breaches any clause or condition of this Order, especially if it is because of a technical deficiency, successive returns Products, or because of any termination cases provided for by law.

- d) In the event of total or partial stoppage of the Buyer's productive activity for any reason, at its sole discretion, by giving notice to the Supplier 30 (thirty) days in advance.
- e) If, for any reason, the Supplier does not comply with the delivery deadline.

## **10. FINE**

10.1. Failure to comply with any of the clauses and conditions stipulated in the present document, will incur a fine of 5% on the global value of the Order, plus interests of 1% per month plus arrears/ daily. This clause includes delivery delay, divergence of amounts, quality problems and other failures involving the provision of services, equipment or parts described in the Purchase Order.

Any other damages resulting from failure to comply with the clauses established in this document will imply reimbursement by the Supplier to the Buyer.

10.3. The Supplier undertakes to indemnify, defend and exclude the Buyer from any liability in relation to any damages and expenses, including attorney's fees, arising from any claims arising from acts or facts attributable to the Supplier and, or, third parties under its responsibility

## **11. BUYER REMEDIES**

11.1. If the Supplier fails to deliver the Products by the delivery date, the Buyer will, without limiting its other rights, have one or more of the following rights:

- (a) to terminate this contract with immediate effect by giving written notice to the Supplier;
- (b) to refuse to accept any subsequent delivery of the Products which the Supplier attempts to make;
- (c) to recover from the Supplier any costs incurred by the Buyer in obtaining substitute Products from a third party;
- (d) where the Buyer has paid in advance for Products which have not been delivered by the Supplier, to have such sums immediately refunded by the Supplier;
- (e) to claim damages for any additional costs, loss or expenses incurred by the Buyer arising from the Supplier's failure to deliver the Products by the delivery date; and
- (f) recover additional freight costs (including for premium freight) that are directly caused by Supplier (including, but not limited to, delayed delivery of parts, early/unscheduled delivery of parts that are returned to the Supplier, non-conforming parts, returns, damage of parts due to Supplier incorrectly loading a vehicle or wrong packaging, in addition to other conditions which are attributed to Supplier's failure to perform as contractually agreed). To determine the cause of additional freight costs, the Supplier shall meet with the Buyer upon reasonable notice to discuss such costs. Where such costs are agreed to be directly caused by Supplier, the Buyer will determine to what extent (on a range between 0% and 100%) these extra freight costs shall be borne by the Buyer and by the Supplier and will notify the Supplier of the resulting percentage and the resulting amount of the allocated costs. The Buyer is entitled to set off the resulting amounts owing from Supplier to the Buyer against any amounts owed to Supplier from the Buyer (debits issued to the Supplier) following agreement with Supplier.

## **12. INSURANCE**

12.1. Supplier shall, at all times during its performance hereunder, carry adequate insurance, including workman's compensation and employer's liability (and any other coverage required by law); comprehensive general liability including contractual and Products liability; and automotive liability. Special insurance requirements, if any, may be specified elsewhere in this Purchase Order.

## **13. ENVIRONMENTAL**

The Supplier agrees to conform to Atmus Health, Safety and Environment ("HSE") Policy and to the procedural requirements associated with the Atmus' HSE Management System. The Supplier shall ensure it has an understanding of its obligations under the Atmus' HSE Management System and assumes responsibility for the consequences of departing from specified procedures.

## **14. CYBERSECURITY**

14.1 "Buyer Data" means any data or information and associated records, in any form or medium, (i) of Buyer, its affiliates or their respective suppliers, customers, or other business partners that is provided to or obtained by Supplier in connection with this Purchase Order, (ii) that is created, generated, collected, processed, maintained, stored, archived, or received in connection with this Purchase Order, or (iii) that is derived or compiled from the foregoing.

14.2 Supplier agrees not to divulge Buyer Data to anyone (other than its personnel who have a need to know such Buyer Data in order for Supplier to perform its obligations hereunder and who are bound by confidentiality obligations no less stringent than those set forth herein), nor use Buyer Data for its own benefit or for any purpose other than performing its obligations under this Purchase Order.

14.3 Supplier shall maintain and comply with a comprehensive cybersecurity and privacy program, which shall include reasonable, appropriate, and adequate technical, organizational, physical, administrative and security measures and safeguards and that prevent the unauthorized destruction, loss, use, disclosure, access or alteration of Buyer Data and the cybersecurity of the Products.

14.4 Supplier is responsible for monitoring cyber intelligence feeds customary in the industry using qualified and experienced personnel with appropriate expertise in cybersecurity for threats or vulnerabilities that may impact the cybersecurity of the Products.

14.5 In the event Supplier becomes aware of any actual or reasonably suspected unauthorized (i) access, control or use of, or loss of access to any Buyer Data ("Security Incident"), or (ii) access, control or use of, loss of access to or other interference with the Products (or any vehicle or any an electronic component or product in which the Products are embedded) ("Cybersecurity Incident"), Supplier shall notify Buyer without undue delay upon discovering the Security Incident or the Cybersecurity Incident and in no case later than forty-eight (48) hours after Supplier becomes aware of such Security or Cybersecurity Incident.

14.6 Supplier acknowledges and agrees that Buyer may disclose information (including confidential information of Supplier) that constitutes, in Buyer reasonable discretion, cybersecurity threat or vulnerability intelligence information, having the potential to impact the cybersecurity of the industry.

#### **15. BUSINESS RELATIONSHIP:**

15.1. The Supplier will keep in strict confidence all technical or commercial know-how, specifications, inventions, processes or initiatives which are of a confidential nature (Confidential Information) and have been disclosed to the Supplier by the Buyer, its employees, agents or subcontractors, and any other confidential information concerning the Buyer's business or its Products or its services which the Supplier may obtain. The Supplier will restrict disclosure of such confidential information to such of its employees, agents or subcontractors as need to know it for the purpose of discharging the Supplier's obligations under the Contract, and will ensure that such employees, agents or subcontractors are subject to obligations of confidentiality corresponding to those which bind the Supplier.

15.2. The Supplier will not disclose the existence of the Contract to another party and will not release any advertising material naming Atmus nor quote the opinion of any of the Atmus' employees, use the name or trademark of Atmus or make any public announcement or disclosure relating to the Contract or the Products or services without the prior written consent of the Buyer.

15.3. All Products manufactured by the Supplier in accordance with the Buyer's drawings or in the manufacture of which the Buyer's tools, dies, patterns, jigs or special tooling are used, will not be sold by the Supplier to any party other than the Buyer.

#### **16. ATMUS POLICIES:**

16.1 Supplier shall acknowledge and comply with the Atmus' Supplier Code of Conduct ("SCoC"), Atmus' Supplier Handbook and all referenced policies and procedures as presented on Atmus' Supplier portal.

16.2 The Supplier hereby warrants and represents that it has printed each one of them, read them and accepted them in full.

16.3 The provisions of the SCoC are in addition to, and not in lieu of, the provisions of any legal agreement or contract between a Supplier and Buyer or any of its affiliates and are incorporated by reference herein. Buyer expects Supplier to hold their supply chain, including subcontractors and third-party labor agencies, to the same standards contained in the SCoC. The SCoC does not create any third-party beneficiary rights or benefits for Suppliers, subcontractors, their respective employees or any other party.

16.4 Supplier is hereby advised that it may be subject to survey and audit by third parties on behalf of Buyer to verify compliance with the SCoC. Non-compliance or misrepresentation of compliance by a Supplier may result in sanctions, including, but not limited to, termination of their agreements with Buyer for default.

16.5 Buyer reserves the right to update, alter, or change the requirements of its SCoC, and Supplier shall accept such changes and act accordingly.

## **17. COMPLIANCE WITH LAWS**

The Supplier agrees to comply with all applicable governmental laws, regulations and rules applicable to Supplies furnished under this PO including without limitation the US Foreign Corrupt Practices Act, the U.K. Anti-terrorism, or any similar anti-corruption legislation and all US Export Regulations (and any national, EU or United Nations embargoes or restrictions). Supplier shall also comply with any applicable Consumer Privacy or Data Protection Laws, including, but not limited to, the General Data Protection Regulation (GDPR), the California Consumer Privacy Act (CCPA), as amended by the California Privacy Rights Act (CPR), and as it may be further amended, along with any other applicable state or federal Consumer Privacy or Data Protection Laws. In this connection, the Supplier further agrees to indemnify, defend and hold Buyer harmless from and against any liability arising from a breach of the same and agrees to defend at its expense any action brought against Buyer.

## **18. GENERAL DISPOSITIONS**

18.1. The Purchase Order, including this document, contain all the conditions established between the Buyer and the Supplier, substituting any other previous deals and/or proposals, enforcing both the parties and eventual successors to any title. No disposition or spoken agreement in any other sense are valid without the written and express consent of the Buyer.

18.2. Any clarification regarding the Purchase Order must be given in advance and exclusively obtained from the Buyer.

18.3. Any changes to the conditions initially provided, will only be considered upon written request and acceptance by the parties.

18.4. The parties elect the jurisdiction of the Court of Guarulhos, State of São Paulo, to resolve any doubts and/ or controversies arising from this document.