

GHT SUPPLY TERMS AND CONDITIONS

1. DEFINITIONS

- 1.1. **Buyer:** Refers to GHT, a distributor of parts for heavy equipment;
- 1.2. **Supplier:** Refers to the company providing products or services as requested in the Purchase Order (PO);
- 1.3. **Purchase Order (PO):** A document issued by the Buyer detailing the products or services to be supplied, quantities, prices, and other conditions;
- 1.4. **Incoterms:** The applicable terms must be considered the same as agreed with GHT'S Purchaser the Purchase Order (PO) (e.g., CIF or FOB);
- 1.5. **Product:** Any goods or merchandise described in the Purchase Order (PO);
- 1.6. **Service:** Work or activity specified in the Purchase Order (PO);
- 1.7. **Warranty:** Defined as the period during Supplier's commits on repair or replace products or services that are defective or do not meet contractual specifications;
- 1.8. **SDS:** Safety Data Sheet, a document prepared in accordance with NBR 14725 standards, containing information for safe and mandatory handling, transportation, and disposal of chemical products;
- 1.9. **Non-Conformity:** Any discrepancy between the delivered products or services and the specifications outlined in the Purchase Order (PO) or any condition compromising their functionality, safety, or quality.

2. PURCHASE ORDER

- 2.1. Confirm receipt of the Purchase Order (PO); verify the details within the document, and confirm the delivery date. If any discrepancies exist in the Purchase Order (PO) such as price, NCM, quantity, product description, Incoterms, delivery date, or payment terms, the Supplier must immediately inform the Buyer. The Supplier must not proceed with the delivery of materials without prior notification to the Buyer regarding identified discrepancies.
- 2.2. By accepting and confirming the Purchase Order (PO), the Supplier automatically declares that they have read, understood, and agreed to GHT's Purchase General Terms and Conditions. This acceptance implies full agreement with all clauses described herein, making this document legally binding without requiring additional signatures. Any objections or exceptions to the Terms must be formally communicated before order confirmation. The Supplier, upon accepting the Purchase Order (PO), declares that they have full technical, financial, and operational capacity to fully comply with the established terms. If the Supplier identifies any impossibility of compliance, they must immediately inform the Buyer, acknowledging that failure to do so or any execution failure will result in liability for any damages incurred.

3. PRICES

- 3.1. Prices stipulated in the Purchase Order (PO) are fixed and cannot be changed without prior written authorization from the Buyer.
- 3.2. Payment will be made according to the terms agreed in the Purchase Order (PO), upon presentation of the Invoice and other required documents.
- 3.3. Price quotations must be submitted through a formal commercial proposal (proforma invoice) via email and other electronic channels to the responsible Buyer.

4. SUBCONTRACTING

- 4.1. Subcontracting, whether total or partial, is prohibited without prior express written authorization from the Buyer. In the event of non-compliance, the Buyer may terminate the Purchase Order (PO) immediately, applying a penalty equivalent to 10% (ten percent) of the total order value, without prejudice to compensation for any damages caused.

5. SUPPLY OF PRODUCTS AND SERVICES

- 5.1. Deliver the required products and provide the requested services in accordance with the Purchase Order (PO) and agreed Conditions, following best market practices.
- 5.2. Ensure full execution of the Purchase Order (PO). In case of service provision, the Supplier must allocate necessary resources and materials and employ a qualified team, assuming responsibility for all actions of their agents, employees, and subcontractors.
- 5.3. Prioritize invoicing according to product expiration dates, following FIFO/PEPS/FEFO/PVPS (first in first out) principles.
- 5.4. For chemical products, Safety Data Sheets (SDS) must be prepared and sent with the products, written in Portuguese (Brazilian Language), and legible.
- 5.5. The Supplier guarantees that the delivered products will fully meet the technical, quality, and safety specifications stipulated in the Purchase Order (PO). If the delivered products or services are not compliant, they will be considered "not delivered," and the Supplier will be subject to penalties provided in this document and applicable law.
- 5.6. The Supplier assumes full responsibility for the quality, safety, and compliance of supplied products, including manufacturing defects, inadequate performance, or non-compliance with agreed technical specifications. If the Buyer is legally charged by third parties due to product defects, the Supplier commits to assuming full responsibility, reimbursing the Buyer for any damages, including legal costs and attorney fees.

6. TRANSPORTATION, BILLING AND DELIVERY

- 6.1. The Supplier commits to delivering the products within the promised date, location, and specifications stated in the Purchase Order (PO).
- 6.2. Delivery delays may result in penalties, including but not limited to discounts on the final price or order cancellation, at the Buyer's discretion.
- 6.3. minimum market standards, such as being palletized and shrink-wrapped, ensuring proper transportation and storage until GHT and the final destination of our customers.
- 6.4. The Buyer's acceptance of the products does not exempt the Supplier from responsibility for hidden defects. The Buyer may claim—such defects upon identification, per Article 441 of the Civil Code, without prejudice to other applicable penalties.

7. INSPECTION, ACCEPTANCE, OR REJECTION

- 7.1. The products subject to the Purchase Order (PO) are subject to verification, inspection, and testing for acceptance or rejection. If a non-conformity is found and the product is rejected, the Buyer may choose to return the goods at no cost or request a letter of credit.
- 7.2. In the event of product rejection, whether at the time of delivery or later (when the defect becomes evident), the Supplier is required to collect the products within a maximum period of 10 (ten) calendar days following the Rejection Notification.
- 7.3. Additionally, the Buyer may refuse to receive the products if the Supplier (or subcontractors) fails to meet the agreed delivery dates and times.

8. PENALTIES OR FINES

- 8.1. In case of delivery delays, a fine of 1% (one percent) per day will be applied to the total value of the delayed order, limited to 20% (twenty percent) of the total value. Additionally, interest of 0.1% (zero point one percent) per day will accrue on the amounts owed by the Supplier until the complete regularization of the delivery.

9. CANCELLATION OR TERMINATION

- 9.1. GHT reserves the right to cancel the Purchase Order (PO), in whole or in part, without penalties, if the Supplier fails to comply with the established terms.
- 9.2. GHT may terminate the Purchase Order (PO) or contract in case of insolvency or bankruptcy of the Supplier.

10. WARRANTY

- 10.1. The Supplier guarantees that all supplied products are new, have good quality, and comply with the specifications of the Purchase Order (PO), committing to providing direct technical support to the final customer, when requested, during the warranty period, without any cost to GHT.
- 10.2. In case of an identified defect, the warranty period will start from the date the defect was detected and evidenced. The minimum warranty period is 12 (twelve) months from the delivery date, unless otherwise specified;
- 10.3. The warranty period for repaired or replaced products will restart from the delivery date of the corrected items to the Buyer. During the warranty period, any expenses related to replacement or repair, including transportation, labor, and materials, will be fully covered by the Supplier.
- 10.4. All costs arising from these warranties will be charged to the Supplier, including the cost of the product/part, replacement costs, labor, travel expenses, vehicle rental, accommodation etc.
- 10.5. These costs will be deducted in one of the following ways: open invoices or bills, in future batches, or by deposit into GHT's account.
- 10.6. In case of a recall or any corrective action related to the supplied products, the Supplier shall fully assume the costs involved, including transportation, communication with customers, and product replacement. The Buyer will assist in the process only as an intermediary, without assuming responsibility for the defect.

11. INTELLECTUAL PROPERTY

- 11.1. The Supplier is expressly prohibited from directly or indirectly using data, designs, samples, or technical projects owned by the Buyer beyond the purposes of the Purchase Order (PO), being responsible for any damages arising from the disclosure or transfer of such materials to third parties by any means.
- 11.2. The Supplier must guarantee ownership and obtain all intellectual property rights, know-how, and processes related to the manufacture and use of the products and/or the proper execution of the services requested by GHT;
- 11.3. The Supplier assumes full responsibility for any claims, fully identified by the Buyer.

12. CONFIDENTIALITY (NDA)

- 12.1. The Supplier agrees to maintain absolute confidentiality regarding all information, data, and documents provided by the Buyer for the execution's Purchase Order (PO). Breaching confidentiality will subject the Supplier to liability for material and moral damages caused.
- 12.2. In specific cases, at the Buyer's discretion, the signing of a Non-Disclosure Agreement (NDA) may be required, establishing a confidentiality agreement between the parties.

13. COMPLIANCE AND ANTI-CORRUPTION POLICY

- 13.1. The Buyer and the Supplier, whether directly or through any of their directors, employees, representatives, distributors, attorneys, agents, or partners acting on behalf, declare that they do not engage in acts harmful to competition, human rights, or environmental regulations.

- 13.2. The Buyer and the Supplier do not employ or use, directly or indirectly, child labor, slavery, forced, involuntary, compulsory, or degrading labor. Both parts agree to be aware of any acts prohibited by Brazilian anti-corruption laws and/or any other applicable national or international regulations.
- 13.3. To the use of GHT securities as collateral, pledge, or any other form of guarantee in factoring, trade finance, or similar transactions is expressly prohibited without prior written authorization from GHT.
- 13.4. Upon request, the Supplier must provide certifications or documents proving its compliance. Failure to comply with these obligations may result in compensation for damages to GHT.

14. APPLICABLE LAW AND JURISDICTION

- 14.1. This contract shall be governed by Brazilian laws, where GHT is headquartered.
- 14.2. The parties elect the court of The City of São Paulo city, in the State of São Paulo, with the exclusion of any other jurisdiction, however privileged, to settle any disputes arising from this contract.

15. REGARDING PRODUCT/SERVICE DELIVERY (SHIPPER LETTER OF INSTRUCTIONS)

15.1 Pre-Shipment Requirements

- 15.1.1 Proforma Invoice: Send the proforma invoice to prazos@grupoht.com.br immediately upon issued and confirm the delivery time of order placed and agreed.
- 15.1.2 Pre-shipment Coordination and Booking Confirmation: Kindly coordinate the shipment with our freight forwarder defined. Confirm the booking with them at least 5 days prior to the planned shipping date.
- 15.1.3 Shipping Notice: Provide a pre-shipment notice 10 days before the actual shipment. This should include all details of the items, quantities (as per order agreed), pick up and shipment date.

15.2 Shipment documents

- 15.2.1 Commercial Invoice: Must match the purchase order details, including product descriptions, Incoterms, quantities, unit prices, and total amounts.
- 15.2.2 Packing List: Provide a detailed packing list, including the below details:
- 15.2.2.1 Item descriptions and codes
 - 15.2.2.2 Total Quantities
 - 15.2.2.3 Quantities per package
 - 15.2.2.4 Net and Gross Weight – per unit and total
 - 15.2.2.5 Package dimensions (LxWxH) and weight
 - 15.2.2.6 Any special handling instructions
 - 15.2.2.7 Bill of Lading (B/L or HAWB): Ensure the B/L or HAWB is accurately completed, reflecting the agreed terms (e.g., FOB, CIF) and destination details. If contains wooden package, kindly inform on the document,
 - 15.2.2.8 Certificate of Origin: If applicable, a certificate of origin should be included, indicating the country of manufacture.

15.3 Packaging and Labeling

15.3.1 Packaging Standards: Use robust and appropriate packaging to ensure product integrity during transit.

Packaging should meet international shipping standards.

15.3.2 Labeling: Each package must be clearly labeled with:

15.3.3 Supplier's name and address

15.3.4 Consignee's name and address

15.3.5 Purchase order number

15.3.6 Item description and quantity

15.3.7 Handling symbols (e.g., "Fragile," "This Side Up")

15.3.8 Remember that all wooden package / pallet Always must be theated and certified and wooden package must container Heat treatment duly stamped

15.4 Shipping Method

15.4.1 Way of Transport: Shipments should be arranged via [Specified Mode: air, sea LCL or FCL shipment, truck, etc.] unless otherwise instructed.

15.4.2 Freight Forwarder: Use our designated freight forwarder unless an alternative has been agreed upon.

15.4.3 Delivery Terms: Ensure adherence to the Incoterms specified in the purchase order (e.g., FOB, CIF, FCA, CFR).

15.4.4.: In Case of Incoterms CIF, CFR, CPT, DAP, DDU agreed, kindly inform the brazilian forwarder contact, and supply a copy of invoice, packing list and BL immediately.

15.5 Post-Shipment Requirements

15.5.1 Shipping Notification: Send a shipping notification to [Contact Email] immediately, if possible, before dispatch, including: Tracking number; Estimated time of arrival (ETA); Copy of the bill of lading and commercial invoice

15.6 Compliance Check

Verify that all documentation and labeling comply with Grupo HT's requirements and international shipping regulations.

15.6.1 Customs Requirements: Always send to the buyer a signed and stamped invoice and packing list. These documents are mandatory to presente them to Brazilian Customs. It is the Shipper's obligation to send the requested documentation 5 days before goods arrival in Destination porto or airport.

15.6.2 GHT has two different purchasing parties: Directly (GHT – Grupo Hidrau Torque) or by a Trading called Versa (stated in Santa Catarina). When the order will be placed by our trading company Versa, It is mandatory that the name of "Versa" be declared on the Shipping docs and bill and ship to as Versa to the order of GTH.

A draft of documents (invoice, packing list and BL or HAWB) must be issued and sent to the imported to be checked and approved. If something needs a correction, shipper will be informed immediately, so documents can be fixed according to importer's request.

15.7. Contact Information:

For any questions or clarifications regarding these instructions, please contact our logistics team at: comex@grupoht.com.br