

## **SUPPLY POLICY**

The objective of this policy is to establish the fundamental premises with its materials or services suppliers that impact the services/products of LHColus Tecnologia Ltda., In order to promote a healthy and professional relationship with the main intention of avoiding possible damages to our clients and thus ensuring their satisfaction with the performance of our supply chain.

The type and extent of supplier control and the product purchased depends the effect of the product purchased on the subsequent completion of the final product. More specific details of supply can be established through individual contracts with suppliers considered critical, where the supply is related to a serial production and therefore, long term.

LHColus establishes and implements inspection or other activities necessary to ensure that the product purchased meets the specified procurement requirements.

When LHColus or its customer intends to perform the verification at the supplier's premises, LHColus declares in the procurement information the intended verification arrangements and the method of product release.

Prior to serial production the supplier shall ensure that an item representative of the first production batch shall ensure the production process, the documentation and the tooling are capable of producing articles and assemblies that meet the requirements established by **LHColus**.

**LHColus** considers the following critical success factors as crucial for its relationship:

### **1- Attending the agreed deadline**

**LHColus** understands that the purchase order must include the delivery date agreed with the supplier and does not tolerate the delay of material without prior written communication from the supplier and duly agreed between the parties.

In case the delay in delivery occurs, **LHColus** establishes the criterion of applying a fine of 0.5% to the day of the order value, establishing a maximum fine of 30% of the total value of the order.

The supplier is aware that these divergences directly affect its performance indicator, whose minimum continuity of supply to **LHColus** is 95%.

### **2- Quality of the product provided**

**LHColus** understands that the product received must meets the technical characteristics negotiated and specified in the purchase order. Any divergence in the product, the product will be segregated in a restricted and analyzed area, and may even be returned to the supplier and affecting its performance indicator. In this case the supplier will assume all charges related to this return.

If the product presents a technical problem later, the supplier must ensure that the warranty is fulfilled at least 3 years after the date of receipt of the material.

**LHColus** reserves the right to use 30 days after receipt for the relevant tests and only for products and/or raw materials that it is necessary to perform acceptance tests, regardless of

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the sending of reports / test reports by the supplier. After the issuance of the reports verifying that the performance of the items meets the specified will be given a conclusive opinion on the acceptance. If any problem is found under the tested conditions of these materials, the supplier will be responsible for replacing them within a maximum of 5 working days.

No Supplier test, inspection, certificate or report, including those in which a **LHColus** representative is present, shall constitute a final inspection or acceptance of the products under this agreement, unless written acceptance is given by the **LHColus** representative.

In case of perishable products that depend on storage conditions during transportation, **LHColus** requires a control of these conditions through temperature and humidity registers, in order to allow product acceptance.

In case of an eventual shutdown of the equipment, the supplier commits to provide a maintenance team, if necessary, within 24 hours after the formal call, as well as to make spare parts available within 48 hours.

Regarding the spare parts, the supplier must provide technical support for, at least 10 years, after the date of receipt of the material.

The supplier is aware that these divergences directly affect its performance indicator, whose minimum continuity of supply to LHColus is 95%.

### **3- Quantity of product purchased**

**LHColus** understands that the quantity purchased should be included in your purchase order and checked during your receipt process. Any divergence in quantity should be reported to the supplier who shall immediately return the agreed total, without any charge to **LHColus**.

The supplier is aware that these divergences directly affect its performance indicator, whose minimum value for supply to **LHColus** is 95%.

In this way, **LHColus** believes that the good performance of these critical success factors will strengthen the relationship between its suppliers and will mainly impact its performance with its customers, promoting their satisfaction.

Thanks for your understanding,

The Executive Director

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