

General Purchasing Terms and Conditions Technical Procurement Höganäs Germany GmbH

I. General

1.1 These terms and conditions shall become an integral part of the purchasing contract. Delivery conditions to the contrary of or deviating from these terms and conditions or any other limitations of Supplier shall not be recognised unless the Buyer has, in a particular case, expressly agreed to them in writing.

1.2 Other understandings, amendments or ancillary agreements shall only be valid when Buyer agrees to them in writing.

1.3 These General Purchasing Terms and Conditions shall also apply to any and all future transactions with Supplier, until new terms and conditions are agreed.

II. Quotation

2.1 In his quotation, Supplier has to closely adhere to the inquiry and in case of deviations, he has to expressly point these out.

2.2 The quotation has to be provided free of charge and does not establish any obligations for the inquiring party. Cost estimations shall only be remunerated upon specific agreement.

III. Order

3.1 Orders and order changes shall be performed by Buyer in writing or electronically. The contents of oral or telephone discussions shall, in case of doubt, only be binding when confirmed in writing.

3.2 Any order and order change has to be confirmed by Supplier in writing and handled separately within his overall correspondence.

3.3 All documents have to show: purchasing department, complete order number, date of order and reference number of Buyer.

IV. Delivery time

4.1 The delivery time is binding. As soon as Supplier has reason for the assumption that he may be fully or partly unable to fulfil his contractual obligations at all or not on time, he has to advise Buyer without delay, providing reasons for this circumstance and the expected duration of the delay. Should Supplier fail to give this notice, he shall be liable for damages, unless he proves that he is not responsible for the fact that such notice was not furnished on time.

4.2 If Supplier fails to perform within the agreed delivery time, he shall be liable under the provisions of law.

V. Liability for defects, notice of defects and responsibility

5.1 Supplier warrants that the delivery item has no defect affecting its value or suitability, that it has the agreed or warranted quality, is suited for the use provided for in the contract, that it is in keeping with generally accepted rules of engineering and the most recent rules and regulations of the authorities, applicable provisions of law, safety-related requirements as applicable from case to case as well as the rules and regulations for safety and health at work and the prevention of accidents. If the delivery item does not fulfil these requirements, Buyer may, in his discretion, claim remedy of the defect or supply of an item free from defects. In the event that the other legal requirements are fulfilled, he may rescind the contract, reduce the purchase price, or claim damages including damages in place of performance or reimbursement of expenses incurred in vain. If Supplier has also assumed warranty for the quality or durability of the delivery item, Buyer may additionally also assert claims under such warranty. This shall not apply to defects or damages of the delivery item caused by

- a) normal wear and tear,
- b) improper handling by Buyer.

Applicability of Section 377 HGB [German Commercial Code] is excluded.

5.2 The warranty periods for defects as provided by law shall apply, unless expressly agreed otherwise. Reduction of the warranty period for defects is excluded.

5.3 Supplier's warranty for defects shall also extend to parts manufactured by sub-suppliers.

5.4 A notice of defects shall suspend the statute of limitations by the period between notice and elimination of the defect. If the delivery item is replaced, repaired or newly supplied in whole or in essential parts, then the warranty for defects shall start to run again for the entire item, in case of partial replacement, this shall apply to the replaced parts.

5.5 The rejected parts will, in case of replacement, become property of Supplier after their removal; he will be responsible for their proper disposal.

5.6 If Supplier has failed to remedy the defect within a reasonable period of time, or if such remedy of defects has failed once, Buyer shall be entitled to have the defect remedied on Supplier's account.

5.7 Supplier shall hold Buyer harmless from any claims under manufacturer's liability as well as based on product liability law, if and to the extent that Supplier or his sub-supplier have caused the product defect being the cause for such liability – in the event that product liability law is applied. Otherwise, Supplier is free to prove that he is not responsible for the defect being the cause for such liability.

5.8 Supplier warrants that the substances supplied are, if necessary, registered under the provisions of the REACH directive with regard to their features and use as provided for in the contract.

VI. Inspections

If inspections have been scheduled for the delivery item, Supplier shall bear the costs of material and his own staff. Buyer shall bear the costs of his own staff for such inspections. Supplier has to give Buyer a binding notice of his readiness for inspection not less than one week in advance and agree an inspection date with him. If the delivery item is not presented on that date, Buyer's costs of inspection staff will be charged to Supplier. If repeated or further inspections are required on account of defects ascertained, Supplier shall bear all costs of material and staff in relation thereto. Supplier shall bear the costs of material and staff for material certificates for the ingoing materials.

VII. Insurances

7.1 Transport insurance will be concluded exclusively by Buyer.

7.2 Unless agreed otherwise, Supplier has, at his own expense, to conclude a liability insurance with sufficient minimum cover for damages caused by himself, his staff or his agents through services provided or items delivered; on Buyer's request; he has to provide evidence of this. Supplier's liability is not limited by the conclusion and proof of any liability insurance.

7.3 Conclusion of special erection insurance in addition to the liability insurance under Item 7.2 above shall from case to case require a specific agreement between Buyer and Supplier.

7.4 Machines, devices etc. put at Buyer's disposal will be insured against normal risks by Buyer. Any further liability of Buyer for perishing or damaging of the machines, devices etc. put at his disposal will be excluded – with the exception of cases where this is committed intentionally or on account of gross negligence.

VIII. Shipping instructions

8.1 For each individual shipment, Supplier has to send a detailed shipping notice, separately from goods and invoice, on the day of shipment. The delivery has to be accompanied by a delivery slip and shipping list. In case of shipment by boat, the name of the shipping line and of the vessel has to be shown on the shipping documents and the invoice. Supplier has to select those means of transportation which are most favourable and best suited for Buyer. In all shipping notices, delivery slips, shipping lists, freight documents, invoices, on the exterior packaging etc., the order symbols and data on the place of unloading as prescribed by Buyer have to be indicated in full.

8.2 As a matter of principle, Supplier has to package, identify and ship hazardous products according to nationally/internationally applicable provisions. Apart from the class of hazard, accompanying documents also have to include further indications as determined in the respective shipping instructions.

8.3 Supplier shall be liable for damages and take over any costs incurred due to non-observance of these instructions, unless he proves that he is not to be held responsible for the event causing such liability. In this respect, he shall also be responsible for observation of these shipping instructions by his sub-suppliers.

8.4 All shipments which cannot be accepted on account of non-observance of these instructions will be stored at Supplier's costs and risk. Buyer is entitled to determine contents and condition of such shipments. It is not permitted to load tools and equipment together with the delivery items.

8.5 The supplier grants the customer the right to audit the production materials of the supplier or the corresponding suppliers at any time.

8.6 The supplier must obtain the consent of the customer should he plan to make the deliveries from another production or before changing the production process of the delivered materials.

IX. Calculation - prices

In the event that Supplier reduces his prices and improves his conditions during the period between order and delivery, the prices and conditions which are valid on the day of delivery shall apply.

Prices for purchases by nationals and residents of the European Community shall be free Buyer's point of delivery, freight, packaging, insurance etc. included, plus statutory turnover tax which may become

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due. Prices for purchases by non-residents of the European Community shall be free Buyer's point of delivery, freight, packaging, insurance etc. included, statutory turnover tax and customs duty excluded. Any and all ancillary fees, public duties, newly added costs, freight etc. as well as their increases, directly or indirectly raising the costs of delivery, shall be borne by Supplier. In all other respects, interpretation shall be governed by the INCOTERMS © 2020 of the ICC.

X. Invoice and payment

10.1 Wording, order of the text and prices of invoices have to correspond to the respective order. Additions or reductions of deliveries have to be listed separately in the invoice.

10.2 Unless otherwise agreed, the payment term shall be 60 days from receipt of the invoice. Invoices must not be issued before the goods have been received.

XI. Documents

11.1 Any and all drawings, standards, guidelines, analytical methods, formulations and other documents provided by Buyer to Supplier for the purpose of manufacturing the delivery item, as well as any documents compiled by Supplier on the basis of specific data of Buyer shall remain the property of Buyer and may not be used by Supplier for any other purposes nor reproduced or disclosed to any third parties. Upon request, they have to be handed over to Buyer without delay, including any and all copies and reproductions. Buyer reserves the industrial property rights in any and all documents handed over to Supplier. Supplier has to consider the inquiry, the order and any work relating thereto as business secret and keep them in confidence accordingly. He shall be liable for any and all damages caused to Buyer on account of any violation of these obligations, unless he proves that he is not to be held responsible for the event causing such liability. Participation of Buyer by way of technical discussions or explanations does not release Supplier any from duties under warranties for defects and other obligations.

11.2 Documents of any kind, which Buyer requires for use, erection, assembly, processing, storage, operation, maintenance, inspection, upkeep and repair of the delivery item have to be provided by Supplier in a timely manner, without being requested to do so, and free of charge.

11.3 Standards and guidelines mentioned by Buyer shall apply in their latest relevant version. Works standards and guidelines of Buyer have to be requested by Supplier in time, unless they were furnished already.

XII. Items

Moulds, models, tools, films etc, which were produced by Supplier for the purpose of performing the order shall, by means of payment, vest in Buyer, even when they remain in the possession of the Supplier. Upon request, these items have to be handed over to Buyer.

XIII. Assembly, maintenance, inspection, repair etc.

13.1 If assembly, maintenance, inspection, repair or other activities are carried out in a Buyer plant, the safety and administrative regulations for outside companies carrying out orders on the premises of Höganäs Germany plants shall apply. These will be handed over before work commences; if necessary, they have to be requested from the works protection department.

13.2 Buyer shall not bear any risk for property of Supplier or his staff which was brought into the plant of Buyer.

XIV. Patent infringement

Supplier is liable for preventing that patents, licences or intellectual property rights are violated by the delivery and use of the delivery items, unless he proves that he is not to be held responsible for the event causing such liability. Applicable licence fees shall be borne by Supplier.

XV. Promotional material

References to the business relationship with Buyer in information and promotional material shall only be permitted with the express, written approval by Supplier.

XVI. Applicable law, interpretation of clauses, etc.

16.1 German law shall apply exclusively. Application of the UN Sales Convention dated 11 Apr. 1980, effective since 01 Jan. 1991, will be excluded; the same applies to the rules concerning international competence.

16.2 Clauses customary in trade shall be interpreted according to the Incoterms © 2020 of the ICC.

XVII. Export control – origin of goods

In the performance of the Contract, Supplier has the obligation to observe relevant regulations and conditions imposed by law and authorities. Supplier shall in particular be liable for ensuring that no embargo

provisions of the UN Security Council, the European Commission or any national legislators are violated or ignored by supplying the delivery items. Supplier shall bear the exclusive responsibility for proper exportation of the delivery items from the country of shipping; he shall in particular undertake to obtain any and all permissions required in foreign trade, and to indicate the origin under commercial law as well as the ECCN of the delivery item in writing in his quotation, this shall in particular apply in case of relevance of the US Export Administration Regulations (EAR) or the International Traffic in Arms Regulations (ITAR). The goods supplied have to fulfil the conditions of origin of the preferential agreements of the EU, unless the order confirmation contains any explicit statement to the contrary.

XVIII. Place of performance and place of jurisdiction

Place of performance shall be the place of receipt scheduled by Buyer, unless indicated otherwise in the order. Exclusive place of jurisdiction shall be Braunschweig.

Goslar, March 2022