

# General Terms and Conditions for the Purchase of Products

These General Terms and Conditions for the Purchase of Products (the “**GTC**”) apply to any agreement regarding the purchase of products by Kloeckner Metals Germany GmbH, Peter-Müller-Straße 24, 40468 Düsseldorf (“**KMG**”) from Supplier (“**Supplier**”).

## 1 Definitions

Capitalized terms shall have the meanings set forth below:

- 1.1 “**Business Day**” means a day from Monday to Friday, except for public holidays in the federal state of the business address of KMG or the KMG-branch placing the respective purchase order.
- 1.2 “**Confidential Information**” means all information disclosed by either Party in connection with the GTC and Contract concerning the business, affairs, the Products, services, research and technologies of the disclosing Party and/or its customers or which are identified or recognized as confidential, as well as those information whose premature knowledge would benefit a competitor, that is not publicly available at the time it is disclosed to or learned by the receiving Party. To the extent disclosed in connection with the Contract, Confidential Information includes but without limitation to specifications; data; know-how; formulas; compositions; processes; designs; prints; sketches; photographs; samples; prototypes; illustrations; calculations; concepts; ideas; past, current and planned research and development; past, current and planned manufacturing or distribution methods and processes; the identity of or other information about actual or potential customers, customer contacts and customer sales strategies; market studies, penetration data and other market information; sales and marketing plans, programs and strategies; sales, costs and other financial data; sources of supply for the Products, raw materials, and components; descriptions of plants and production equipment; price lists; business plans; financial reports and statements; computer software and programs (including object

code and source code); databases; internal reports, memoranda, notes, analyses, compilations, studies and other data, information, materials or intangible asset that relate to the disclosing Party’s business and/or Products. Confidential Information also includes any materials or information that contains or is based on any other Confidential Information, whether prepared by the disclosing Party, the receiving Party or any other person.

- 1.3 “**Contract**” means the agreement between KMG and Supplier which is formed in accordance with Section 3 of these GTC; for the purchase of the Products, incorporating these GTC, together with any relevant order confirmation.
- 1.4 “**Intellectual Property Rights**” means any and all intellectual property rights worldwide arising under statutory law, common law or by contract including without limitation (i) patents, trademarks, design rights, copyrights, rights in databases, domain names, know-how, look and feel, rights in confidential information; (ii) any rights analogous to the foregoing; (iii) application filing, renewal and extensions of the foregoing.
- 1.5 “**Parties**” means KMG and Supplier.
- 1.6 “**Party**” means either KMG or Supplier as the case may be.
- 1.7 “**Products**” means those goods of the Supplier that were agreed in the Contract.
- 1.8 “**Purchase Order**” means KMG’s binding offer, as issued by KMG and delivered to Supplier, by mail, by electronic means, by internet to purchase the Products, subject to Supplier’s order confirmation.
- 1.9 “**Release Schedule**” means any document issued by KMG which describes the required quantity of Products and the times of delivery (e.g. delivery call-offs).
- 1.10 “**Supplier**” means the entity from which KMG desires to purchase the Products under these GTC.

## 2 Scope of Application

- 2.1 The legal relationship between KMG and Supplier shall be governed exclusively by these GTC. Any terms to the contrary are hereby expressly excluded. These GTC shall apply even in the event that KMG accepts Supplier’s delivery, knowing that Supplier’s terms conflict with or differ from these GTC.
- 2.2 These GTC apply exclusively to ‘entrepreneurs’ within the meaning of Section 14(1) of the German Civil Code



(BGB) who KMG wishes to purchase Products from, within the scope of their business activities.

2.3 These GTC shall govern and form an integral part of the Contract entered into between KMG and Supplier for the purchase of Products by KMG.

2.4 Supplier acknowledges and agrees to be bound by, and comply with, all (a) terms and conditions contained herein; and (b) all of the foregoing as the same may be amended by KMG from time to time.

2.5 Supplier shall have accepted these terms and conditions when it delivers to KMG the Products pursuant to a Purchase Order issued by KMG herein. Any terms set forth by Supplier are rejected as a whole, unless explicitly accepted in a writing specifically accepting such terms and signed by KMG.

2.6 The unconditional acceptance of the Products by KMG shall in no case constitute acceptance of the terms and conditions of Supplier.

### 3 Offer and Conclusion of Contract

3.1 By submitting a Purchase Order to Supplier, KMG submits a binding offer to purchase the Products, and such an offer is subject to acceptance by Supplier. Notwithstanding the foregoing, KMG reserves the right to modify the quantity and Delivery Schedule of the order within four (4) weeks after receipt of the Purchase Order by Supplier. Furthermore, KMG is entitled to cancel the Purchase Order in its entirety within this period. Any such modification or cancellation must be communicated to Supplier without undue delay after receipt of the acceptance of Supplier by KMG. If KMG does not exercise this right within the specified period, the Purchase Order remains binding upon acceptance by Supplier.

3.2 If a Purchase Order is not accepted within two (2) weeks of receipt, KMG is entitled to cancel the order.

3.3 If the order confirmation differs from the Purchase Order, KMG is only bound by these changes if KMG has been expressly notified of the deviations and has agreed to them in writing. Acceptance of the Products' delivery or issuance of payment by KMG does not imply approval of any deviations.

3.4 Any preliminary communications, such as price quotes, product descriptions, or other information provided by Supplier prior to the issuance of the Purchase Order by KMG, are non-binding and do not constitute an offer or an acceptance of an offer.

3.5 Unless otherwise stated, the prices are fixed prices. If it cannot be inferred from the price information whether the prices include VAT, the prices are gross prices.

### 4 Scope of Products

4.1 Supplier shall provide KMG with the Products specifically set forth in the relevant order confirmation.

4.2 Supplier acknowledges that any illustrations, technical data, weights, dimensions, and performance descriptions provided to KMG must be as accurate as possible. Any deviations from these descriptions must be communicated and expressly accepted by KMG in writing.

4.3 Supplier acknowledges and agrees that the Contract does not constitute an exclusive agreement between KMG and Supplier. KMG does not commit to or guarantee any specific volume or monetary amount, nor is KMG obligated to purchase products similar to the Products from Supplier.

4.4 KMG reserves the right to purchase such Products from suppliers other than Supplier.

### 5 KMG's Customer Requirements

If the Products are further sold by KMG, or are incorporated into products that are sold by KMG, to a customer (the "Customer Products"), whether directly or indirectly through a supplier or any other third party, Supplier shall take all necessary steps, provide required disclosures, comply with requirements, and take any other actions reasonably requested by KMG to fulfill its obligations under any contract, purchase order, or other document between KMG and the customer or KMG's supplier (the "Customer Terms"). This may include Supplier accepting changes to the Contract to align with the Customer Terms, including but not limited to changes related to delivery, packaging and labeling requirements, defective products and applicable limitation periods, intellectual property rights and indemnifications, access to records, and replacement and service parts. KMG will provide Supplier with information regarding the applicable Customer Terms as needed, provided such information is non-confidential.

### 6 Modifications

6.1 KMG may require changes to the purchased Products regarding design and version to the extent reasonably acceptable by the Supplier. The effects of such changes, especially with regard to cost increases or



reductions as well as delivery dates, shall be settled appropriately by mutual agreement.

6.2 Any differences in price or performance time resulting from these changes will be adjusted accordingly by KMG, based on negotiations between both parties, after receiving documentation in the form and detail specified by KMG.

6.3 Supplier shall not make any changes to the design, processing, packaging, marking, shipping, or the date or place of delivery of the Products without KMG's written instructions or approval.

## 7 Delivery

7.1 Delivery periods, dates and quantities shall be determined by the Contract and/or Release Schedules. Supplier acknowledges that delivery times and quantities are crucial for Contract fulfillment. Therefore, KMG may reject or return, at Supplier's expense, any delivery of Products or part thereof received before or after the delivery date, or in excess of the quantity specified in the Contract and/or Release Schedule.

7.2 Supplier must comply with any Release Schedule or any changes thereto issued by KMG, unless Supplier notifies KMG of a reasonable objection in writing within the following timeframes:

7.2.1 One (1) business day after receipt of the Release Schedule or change notification if the requirements or amendments are to take effect within ten (10) business days (inclusive) after receipt.

7.2.2 Three (3) business days after receipt of the Release Schedule or change notification if the requirements or amendments are to take effect between eleven (11) business days and three (3) calendar months (inclusive) after receipt.

7.2.3 Ten (10) business days after receipt of the Release Schedule or change notification if the requirements or amendments are to take effect more than three (3) calendar months after receipt.

7.3 Where specified in the Contract and/or Release Schedules, Supplier shall deliver Products "just-in-time", meaning at the appointed time of delivery immediately prior to serial production, or "just-in-sequence," meaning in the correct delivery sequence as set out in the Release Schedules.

7.4 Supplier agrees to take all necessary and appropriate actions to ensure that the Products reach KMG as required under the Contract. In particular, the Supplier is obliged to book a time slot for the delivery using KMG's Time Slot Management System at the homepage [cargoclix.com](http://cargoclix.com), insofar as the respective KMG company uses it. If Supplier becomes aware of circumstances or events that could lead to non-compliance with a delivery date or quantity (a "Critical Supply Situation"), Supplier shall take all necessary and appropriate corrective measures and inform KMG without undue delay in writing. This notice does not affect Supplier's obligation to meet the required delivery dates. Upon specific request by KMG, Supplier shall also inform KMG of abstract risks that could lead to a Critical Supply Situation and demonstrate protective and contingency plans.

7.5 Unless otherwise agreed in writing, deliveries are made in accordance with DDP Incoterms 2020. The destination is the respective place of business of KMG or the registered office of the KMG-branch placing the order.

7.6 Prior to delivery, Supplier shall undertake a thorough inspection of outgoing Products to ensure the delivery of defect-free Products.

7.7 Partial deliveries are only permitted if KMG has expressly agreed to them in writing; otherwise, KMG reserves the right to refuse acceptance. Each partial delivery shall be clearly designated as such, stating the total quantity and the quantity pertaining to the partial delivery. No transfer of risk shall occur in the event of partial deliveries or partial performance, even if contractually agreed.

7.8 Supplier shall bear the risk of accidental loss and accidental deterioration, even in the case of "carriage paid" and "free domicile" deliveries, until the Products are handed over at the place of destination.

7.9 If Supplier's deliveries fail to meet KMG's schedule, KMG, without limiting its other rights or remedies, may direct expedited routing, and any excess costs incurred shall be debited to Supplier's account. Products delivered in advance of schedule may, at KMG's option, either (a) be returned at Supplier's expense for improper delivery, (b) have payment withheld by KMG until the actual scheduled delivery date, or (c) be placed in storage for Supplier's account and at Supplier's cost until the specified delivery date in the Contract.



7.10 In the event of a delay in delivery or performance by the Supplier, KMG shall be entitled to claim liquidated damages in the amount of 0.3% of the net final invoice amount per business day of delay, up to a maximum of 5% of the net final invoice amount. The net final invoice amount refers to the payment owed after fulfillment of the contract. Supplier shall be entitled to prove that the actual damage caused to KMG by the default is lower. Any further statutory rights resulting from the delay shall remain unaffected; if such rights are asserted, any liquidated damages incurred shall be credited against the claimed damages. In particular, KMG shall be entitled to claim damages instead of performance following the expiry of a reasonable grace period set by KMG. KMG's claim for delivery shall not be excluded until Supplier has settled KMG's claim for damages. KMG is not required to reserve the right to claim liquidated damages at the time of the transfer of risk. Instead, the claim may be asserted up until the final payment by KMG.

7.11 Supplier shall clearly state the KMG order number on all shipping documents and delivery bills and make use of KMG's Timeslot Management System if applicable. Costs and damages arising from incorrect or omitted shipping declarations shall be borne by the Supplier.

7.12 Unless otherwise agreed in text form, packaging costs shall be borne by Supplier. Supplier's obligation to take back the packaging shall be governed by the German Packaging Act (*Verpackungsgesetz*), it being understood that the return shall always take place at KMG's registered office, unless otherwise agreed. The costs for the return transport and the disposal of the packaging shall in any case be borne by Supplier.

## 8 Inspection Prior to Acceptance

8.1 Upon receipt, KMG shall inspect the Products for any deviations in quality and quantity only for outwardly visible defects and/or deviations in kind or quantity. KMG will notify Supplier of such defects immediately. Notice of any other defects will be given as soon as they are discovered in the ordinary course of business. Supplier waives the objection of late notification in such cases. Any notice of defect shall be communicated to Supplier within a period of 10 working days by letter, e-mail or telephone. This period shall commence at the moment KMG, or in the case of direct shipment, KMG's customers have discovered the defect.

8.2 In accordance with Section 10 of these GTC, KMG shall be entitled to the statutory claims for defects in full;

in any case, KMG shall be entitled to claim, at its discretion, either repair of the defect or new delivery. Any repair shall be deemed to have failed after the first unsuccessful attempt at repair. Instead of asserting statutory claims for defects, KMG also has the right, in the event of defectiveness of only a separable micro-quantity, to scarp the defective part of the Products and demand from the Supplier only the repayment of the purchase price, deducting the scrap value received. KMG shall further have the right to withdraw from the Contract even if the relevant breach is only insignificant.

8.3 KMG shall be entitled to claim compensation for those expenses in connection with a defect which KMG bore in relation to its customer in case the defect was already present when the risk passed to KMG. The limitation period for claims for defects shall be 36 months following the transfer of risk, unless otherwise stipulated in this contract.

## 9 Payment

9.1 KMG agrees to pay Supplier the prices specified in Contract for the Products provided. Unless otherwise stated in the Contract, these prices are inclusive of all costs related to packaging, materials, travel, tools, customs duties, insurance, and other shipping or carriage costs, including transport authorizations. There are no further payment obligations for KMG unless expressly agreed upon.

9.2 Unless explicitly stated otherwise, Supplier shall issue all invoices in EURO currency.

9.3 Unless otherwise agreed by both Parties, Supplier shall issue invoices in accordance with the Purchase Order after KMG has accepted the Products. All invoices shall be sent to the billing address indicated in the Purchase Order or, if none is provided, to the recipient indicated in the Purchase Order. Invoices must not be enclosed with the Products but should be sent to KMG upon shipment of the Products.

9.4 All invoices must comply with applicable laws, particularly value-added tax laws, and any special arrangements agreed upon.

9.5 In all cases, invoices must include the complete order reference number and the order date/Contract date.

9.6 Unless otherwise agreed in writing in individual cases, all payments will be made within sixty (60) calendar days of receiving the respective invoice. For payments made within fourteen (14) days of receipt of the invoice, KMG is entitled to a 3 % cash discount, unless



otherwise agreed in writing. Payment and discount periods commence upon receipt of the invoice, but not before receipt of Products. For Contracts involving documentation, test certificates as per EN 10204 or similar, payment terms commence upon receipt of such documentation by KMG.

- 9.7 The default interest rate shall be 5 percentage points above the base interest rate. KMG shall be entitled to prove that the actual damage caused by our default is lower. KMG shall be entitled to rights of set-off and retention to the extent provided by law. In particular, KMG shall be entitled to retain the purchase price if and as long as agreed test certificates according to EN 10204 are not delivered to KMG.

## 10 Representations and Warranties

- 10.1 Unless explicitly agreed otherwise, Supplier expressly represents and warrants to KMG, KMG's successors, and assigns, that all Products delivered to KMG shall (i) conform to the specifications, standards, drawings, instructions, advertisements, statements on containers or labels, descriptions and samples; (ii) be free from defects in workmanship and material and shall be new; (iii) be free from third party rights and that KMG shall receive title to the Products that is free and clear of any mortgages, liens, or encumbrances; (iv) be contained, packaged, marked and labelled in accordance with KMG's specifications; in the absence of such specifications, the Products shall be enclosed, packaged, marked and labeled in a manner appropriate to their nature; and (v) be free from infringement or misappropriation of intellectual property rights of third parties.
- 10.2 Unless explicitly agreed otherwise, the limitation period for warranty claims regarding a Product shall commence upon the date of delivery and expires on the sooner date of:
- 10.2.1 the expiration of any warranty provided by KMG to its customer; or
- 10.2.2 the fifth (5th) anniversary of the delivery date.
- For defects that are notified within the limitation period, the limitation period shall end at the earliest six months after the notification of defects.
- 10.3 KMG may reject, return and/or scrap Products delivered by Supplier at Supplier's risk and expense if found defective, deficient, or non-conforming in the above-mentioned respects during the applicable

warranty period, in accordance with Section 8 of these GTC.

- 10.4 Supplier shall, at its own cost, promptly repair the Products or replace them with new Products that are free from defects, at KMG's discretion, unless KMG cancels the relevant Contract, wholly or in part or – in the event of the defectiveness of only a separable micro-quantity – scraps the defective part of the Products in accordance with Section 8 of these GTC. Repair and replacement shall be carried out promptly upon demand.
- 10.5 Upon remedying a defect, Supplier shall remain liable for defects in the replaced or repaired Products under the same terms as those applicable to the original Product for the duration of the agreed warranty.
- 10.6 Should Supplier fail to take necessary corrective actions within a reasonable period set by KMG, KMG reserves the right to remedy the defects itself or to engage third parties to perform such remedies or services at Supplier's expense and risk.
- 10.7 These warranties are in addition to all other warranties, express, implied, or statutory. They survive inspection, testing, delivery, acceptance, use, and payment by KMG and benefit KMG, its successors, assigns, customers, and users of KMG's products.

## 11 Indemnification

- 11.1 Supplier hereby undertakes to indemnify, defend, and hold harmless KMG and its shareholders, officers, directors, employees, affiliates, and agents upon first request from and against any and all penalties, damages, costs, judgments, settlements, attorney's fees and disbursements, or other expenses of any nature whatsoever paid or incurred in connection with claims by any third party:
- 11.1.1 arising from or related to any breach by Supplier of any representation or warranty herein;
- 11.1.2 arising from any failure or refusal by Supplier to duly perform any of its obligations under the Contract;
- 11.1.3 arising directly or indirectly from the performance of activities by Supplier, any person, or entity acting for or on behalf of Supplier in connection with the Contract, or due to any breach by Supplier of the terms of these GTC.





11.2 Notwithstanding the foregoing, Supplier shall not be responsible for, nor relieve KMG from liability for claims arising from the willful misconduct or gross negligence of KMG.

11.3 Supplier agrees to defend, hold harmless, and indemnify KMG, its successors, and customers against any claims of infringement (including misuse or misappropriation of patent, trademark, copyright, industrial design right, or other proprietary right, or trade secret) and resulting damages and expenses (including attorney's and other professional fees) arising in any way in relation to the Products.

11.4 Within the scope of its liability for cases of damage pursuant to this Section 11 of these GTC, Supplier shall further be obliged to reimburse any expenses pursuant to Sections 683, 670 of the German Civil Code (BGB) and Sections 830, 840, 426 of the German Civil Code (BGB) arising from or in connection with a recall action carried out by KMG. KMG shall inform Supplier about the content and scope of the recall measures to be carried out - as far as possible and reasonable - and request response. Any further statutory claims shall remain unaffected.

## 12 Insurance

Supplier undertakes to maintain a product liability insurance with coverage of €10 million per personal injury/property damage. Any further claims for damages shall remain unaffected.

## 13 Intellectual Property Rights

Supplier guarantees that any and all Intellectual Property Rights in the Products are free of any third-party rights existing under the relevant jurisdictions including without limitation charges, options, liens, equities, encumbrances, third party use rights, limitations or restrictions on use.

## 14 Customs, Conformity, Origin and Export Control

14.1 For customs purposes, Supplier shall attach an English-language commercial invoice in duplicate to the shipping documents. Any deviation from this procedure is only permitted subject to KMG's prior written consent.

14.2 Supplier shall make a binding communication to KMG of the non-preferential and preferential origin of the Products by either:

14.2.1 submitting the required origin data by electronic means (preferred option), or

14.2.2 in exceptional cases, communicating the origin data in written form within fourteen (14) calendar days starting with the receipt of KMG's request letter. The data of origin shall be supplied in written form by the time of the first delivery at the latest. In this case, the written form requires the handwritten signature (in original form) of an authorized representative of Supplier.

14.3 If proof of origin is required by virtue of other local import rules in the country of import, Supplier shall likewise provide KMG with such proof. Supplier shall permit verification by the competent authorities and provide all necessary information and any required certifications to the competent authorities. Supplier shall compensate KMG for any damage incurred if the competent authorities, due to deficient certification or an inability to verify the origin, fail to acknowledge the declared origin, unless Supplier proves that it is not responsible for such consequences.

14.4 Without prior written approval from KMG, origin declarations printed upon the business forms of Supplier will not be recognized by KMG, unless such is required by law.

14.5 Changes in the Products' origin shall be notified to KMG in writing without undue delay.

14.6 Supplier shall provide KMG with all such support as may be necessary to enable KMG to reduce or minimize its liability to customs duties. Upon KMG's request, Supplier commits to implement, particularly in the EU, customs procedures with commercial impact pursuant to Art. 210 of Regulation (EU) No. 2913/95/2013 (European Customs Code) or submit declarations (affidavits) pursuant to customs rules of third countries in close coordination with KMG.

14.7 For any and all questions and instructions arising out of or required in connection with customs and declarations of origin, Supplier shall contact KMG's respective customs department.

14.8 Unless explicitly agreed otherwise, customs clearance in both the country of export and the country of import shall be the responsibility of Supplier. The Supplier shall bear all duties and charges related to the export or import, including any punitive tariffs in the event of tariff quota exceedance. The absence of import quotas and any resulting delay in customs clearance shall not exempt the Supplier from its obligation to comply with the agreed Delivery Schedule.



## 15 Transfer of Risk and Transfer of Title

Unless explicitly agreed otherwise,

15.1.1 Products shall be deemed to be delivered duty paid i.e. DDP (Incoterms 2020), with delivery place being the premises of KMG where the Products are to be delivered.

15.1.2 title in and to the Products shall be transferred to KMG upon delivery to KMG.

## 16 Materials and Tools Provided by KMG

16.1 If KMG provides material to Supplier, KMG shall retain ownership of such material (reserved goods). Any processing or transformation of the reserved goods shall be conducted solely on behalf of KMG, acting as the manufacturer within the meaning of sec. 950 of the German Civil Code (BGB), without imposing any obligations on KMG. In cases where the reserved goods are processed or combined with other materials, KMG shall acquire co-ownership of the resulting item proportionally to the value of the reserved goods (purchase price plus VAT) compared to the value of the other processed materials at the time of processing. Upon such processing or combination, Supplier agrees to transfer to KMG the ownership rights it holds in the new item to the extent of the invoice value of the reserved goods. Supplier shall store the newly formed items for KMG under safe conditions and without charge. KMG's co-ownership rights shall be considered reserved goods.

16.2 If KMG provides tools to Supplier, KMG shall retain ownership of these tools. Supplier is obligated to use these tools exclusively for manufacturing Products ordered by KMG and may not modify, relocate, or dispose of them without KMG's prior written consent. Supplier must insure these tools at replacement value against damage from fire, water, and theft at its own expense. Simultaneously, Supplier assigns all insurance claims arising from this coverage to KMG, which KMG accepts. Supplier is responsible for conducting all necessary maintenance and inspections on KMG's tools, as well as any required repairs, at its own expense and in a timely manner. Supplier must promptly inform KMG of any malfunctions, damages or loss of the tools and take appropriate corrective measures.

16.3 If the security interests to which KMG is entitled in accordance with Section 16.1, exceed the purchase price of all Products subject to retention of title that

have not yet been paid for by more than 10%, KMG shall be obliged to release the security interests at its discretion at Supplier's request.

## 17 Termination

### 17.1 Termination for Convenience

17.1.1 KMG shall have the right, for any reason and at any time, to terminate the Contract upon written termination notice to Supplier, effective from the date on which Supplier receives such termination notice.

17.1.2 In such an event, the Parties shall negotiate a reasonable termination charge, if any, based on all appropriate factors, including, without limitation, the percentage of work performed by Supplier prior to termination, Supplier's ability to resell or reuse the Products, and market conditions prevailing at the time of termination. Supplier has a duty to mitigate damage or loss to the utmost extent possible due to KMG's termination. Failure to do so will dissolve KMG of any responsibility for any enlarged damage or loss. Unless otherwise agreed in writing, KMG shall have no obligation for and shall not be required to make payments to Supplier, directly or on account of claims by the Supplier's suppliers and subcontractors, for loss of anticipated profit or overhead resulting from the termination of the Contract.

17.1.3 KMG shall have the right to audit all elements of the termination charge, and Supplier shall make available to KMG, on request, all books, records, and papers relating thereto.

### 17.2 Termination by Material Default

17.2.1 If Supplier commits a material default of any of its undertakings under the Contract, KMG shall notify Supplier of the default in writing, stating a reasonable time, not exceeding thirty (30) calendar days from the date the notice is received, within which the Supplier shall have to remedy said default.

17.2.2 Should the default remain unremedied after the expiry of the reasonable period stated in the above-mentioned notice, KMG is entitled to terminate the Contract by giving written notice of termination to Supplier, with the date



of such written notice being the termination date.

### 17.3 Termination by Specific Defaults

KMG shall have the right at any time, by giving notice in writing to Supplier, to terminate the Contract forthwith if:

- 17.3.1 A bankruptcy or composition procedure is initiated against Supplier, or a receiver is appointed to control the assets of Supplier, or a winding-up order is made against Supplier; or
- 17.3.2 The financial position of Supplier deteriorates to such an extent that, in the opinion of KMG, the capability of Supplier to adequately fulfil its obligations under the Contract has been jeopardized.

## 18 Consequences of Termination

- 18.1 Upon receipt of the notice of termination, Supplier, unless otherwise directed by KMG, shall: (i) promptly terminate all work under the Contract; (ii) if requested by KMG, transfer title and deliver to KMG or its designee the finished work, the work in process, and the production parts and materials which the Supplier produced or acquired in accordance with the Contract and which Supplier cannot use in producing products for itself or for others; (iii) take actions reasonably necessary to protect property in Supplier's possession in which KMG has an interest until disposal instructions from KMG have been received; and (iv) satisfy other reasonable requests from KMG for the purpose of uninterruptedly procuring and manufacturing those Products as provided by Supplier under the original Contract.
- 18.2 Any termination of the Contract, particularly under Sections 17.2 and 17.3 above, shall be without prejudice to any rights which KMG may have against Supplier in respect of any breach that occurred prior to the termination date.

## 19 Confidentiality

- 19.1 The Parties acknowledge that Confidential Information may be mutually disclosed.
- 19.2 The Parties agree that Confidential Information shall be used only for the sole purpose of discussions or implementation of the Contract and shall not disclose such Confidential Information, whether directly or indirectly, to any third-party - except of its officers,

employees, affiliated companies and consultants - without prior written approval of the other Party.

- 19.3 Such restrictions on the use or disclosure of such Confidential Information shall not apply to such information which:

- 19.3.1 prior to the receiving Party's receipt thereof was publicly available or in the receiving Party's possession from a source other than the disclosing Party, or
- 19.3.2 after the receiving Party's receipt thereof becomes publicly available other than as a consequence of a breach of the receiving Party's obligations hereunder, or
- 19.3.3 is independently developed by the receiving Party and such independent development can be proved without doubt, or
- 19.3.4 is required to be disclosed pursuant to statutory regulations or regulations under administrative law or by reason of an unappeasable judicial decision, and the receiving Party makes this requirement known to the disclosing Party without undue delay and the extent of the disclosure is restricted as far as possible; the receiving Party will ensure confidential handling of the Confidential Information by the court or the authorities to the best of its ability.

- 19.4 Each Party agrees to exercise reasonable care in protecting the Confidential Information to prevent the disclosure of such Confidential Information to outside parties.

- 19.5 Notwithstanding the foregoing, KMG may disclose Supplier's Confidential Information to the extent necessary for KMG to use Products in the manufacture, use or sale of KMG's products, provided KMG uses reasonable efforts by contract or otherwise with third parties to preserve confidentiality of such information.

## 20 Supplier Code of Conduct

As a subsidiary of Klöckner & Co SE, Duisburg, KMG is aware of its responsibility to the environment, the public, its employees and its shareholders. Compliance with national and international laws and regulations, as well as fair dealings with business partners and competitors, are fundamental principles for KMG. KMG expects its Supplier to adhere to the same principles. KMG's Supplier Code of Conduct ('SCoC') outlines the





key requirements for suppliers. The latest version of the SCoC is available [here](#). The Supplier undertakes to comply with the principles set out in the SCoC both within their own company and in the supply chain and to inform KMG immediately of any breach of the SCoC. Any violation of the SCoC principles is considered a breach of significant contractual obligations, allowing KMG to terminate the contractual relationship without notice and to assert any further claims.

## 21 Relationship of the Parties

KMG and Supplier are independent contracting Parties. Nothing in these GTC shall make either Party the agent or legal representative of the other for any purpose whatsoever, nor does it grant either Party any authority to assume or to create any obligation on behalf of or in the name of the other.

## 22 Subcontracting and Assignment

- 22.1 No Party shall subcontract or assign any of its obligations under the Contract without the prior written consent of the other Party.
- 22.2 Without the prior written consent of KMG, Supplier may not assign the Contract. Any attempt by Supplier to assign any of the rights or obligations under the Contract, except monetary claims, without such consent is void.
- 22.3 To the extent that Supplier subcontracts to third parties any of its obligations set forth in any Contract, Supplier shall remain fully responsible for such obligations and for all acts or omissions of its subcontractors or agents. Nothing in the Contract shall be construed to create any contractual relationship between KMG and any subcontractor, nor any obligation on the part of KMG to pay or see to the payment of any money due to any subcontractor, except as may be otherwise required by law. Upon request by KMG, Supplier shall disclose the identity of its subcontractors or sub-suppliers.

## 23 REACH and Conflict Minerals

- 23.1 For all Products delivered to KMG, Supplier ensures conformity with all valid EU Regulations, especially with the requirements of the REACH Regulation (EC 1907/2006) and EU Regulation 2017/821 regarding conflict minerals.
- 23.2 Supplier guarantees conformity with all requirements of REACH Regulation, including all obligations necessary for processing, selling, or distributing the Products within the EU, and ensures that KMG receives all

required information if substances of very high concern (SVHC) are used.

- 23.3 Violations of the REACH conformity shall constitute a defect in the Product.
- 23.4 Supplier ensures delivery in accordance with the provisions of EU Regulation 2017/821 laying down obligations for the fulfillment of obligations in the supply chain for Union importers of tin, tantalum, tungsten, their ores and gold originating from conflict-affected and high-risk areas as well as the United States (U.S.) Dodd-Frank Act (Section 1502) on conflict minerals.

Supplier is obliged to avoid the use of conflict minerals in its supply chain and to take measures to ensure that the Product does not contain any conflict minerals.

- 23.5 Additionally, Supplier must comply with the requirements of the EU End-of-Life Vehicle Directive (2000/53/EC), the RoHS Directive (2002/95/EC), the WEEE Directive (2002/96/EC), the Packaging Directive (94/62/EC), and the German Radiation Protection Ordinance (StrlSchV) in its latest applicable version. The Products must meet the highest energy efficiency class available at the time of procurement. If KMG has no influence on the selection of energy-related components in new installations or replacements, Supplier must ensure that only components with the best available energy efficiency class are selected.
- 23.6 In the event of violations of the aforementioned regulations, the Supplier shall indemnify KMG from all resulting damages and third-party claims.

## 24 Carbon Border Adjustment Mechanism (CBAM)

- 24.1 The Supplier undertakes to provide KMG with the required data and information for all deliveries, as specified by the applicable version of Regulation (EU) 2023/956 and the Delegated Regulation (EU) 2023/1773, which must be reported in KMG's CBAM report. These obligations apply to transactions involving the importation of relevant goods into the customs territory of the European Union. The data and information must be provided to KMG no later than at the time the goods are delivered.

*[For contracts until 31.12.2025: The Supplier shall provide KMG with the following information, broken down by 8-digit Combined Nomenclature (CN) code, annex, and country of origin:*



- 24.1.1 Specific direct emissions associated with the goods
- 24.1.2 Specific indirect emissions associated with the goods,
- 24.1.3 The amount of electricity consumed for the production of the goods,
- 24.1.4 The source of electricity consumed for the production of the goods,
- 24.1.5 The emission factor of the electricity consumed for the production of the goods,
- 24.1.6 The manufacturer of the goods.]

[For contracts from 01.01.2026: The Supplier undertakes to ensure that the emissions monitoring required by Regulation 2023/956 is verified by an accredited auditor and to provide KMG with the verified information and supporting evidence to be communicated in accordance with Articles 7, 8, and 9, as well as the relevant implementing acts of Regulation 2023/956.]

- 24.2 If the Supplier fails to provide the [For contracts until 31.12.2025: required data] [For contracts from 01.01.2026: verified information and supporting evidence], they must compensate KMG for any resulting damage. The Supplier must prove that the failure to provide the [For contracts until 31.12.2025: required data] [For contracts from 01.01.2026: verified information and supporting evidence] was not their fault. KMG is entitled to charge the Supplier for any sanctions imposed due to a defective or incomplete report under Regulation 2023/956.
- 24.3 If the Supplier is unable to provide KMG with the [For contracts until 31.12.2025: required data] [For contracts from 01.01.2026: verified information and supporting evidence], they must notify KMG, stating the reasons, no later than at the time of the order confirmation.

## 25 Notices

- 25.1 Any notice, request, waiver, consent or approval shall be made in writing and shall be sent to the address of the recipient set out in the order confirmation, or such other address as the recipient may designate by notice given in accordance with this clause. Any such notice, request, waiver, consent or approval may be delivered by hand or by prepaid registered post or by e-mail transmission, and shall be deemed to have been duly given or made when:

- 25.1.1 by hand delivery - at the time of delivery;
- 25.1.2 by registered post with acknowledgment of receipt - at the time of receipt;
- 25.1.3 by email - on the next Business Day after dispatch

- 25.2 Each Party shall notify the other of any change of address or facsimile numbers within three (3) Business Days of such change.

## 26 Entire Agreement

These GTC together with the relevant order confirmation, together with all addenda, schedules, and exhibits constitutes the entire agreement between the Parties and supersedes all prior or contemporaneous agreements and understandings between the Parties relating to the subject matter hereof. The German version of these GTC shall always apply in the case of deviations.

## 27 Written Form

Any modification of these GTC shall be valid only if in writing and signed by the Parties. A contractual waiver of this clause must also be in writing and signed by the Parties.

## 28 Governing Law

These GTC and any order confirmation along with any dispute arising out of or in connection with these GTC and order confirmation, shall be governed exclusively by German law excluding the UN Sales Convention.

## 29 Dispute Resolution and Jurisdiction

- 29.1 The Parties will use their reasonable best efforts to resolve any dispute hereunder through good faith negotiations. A Party must submit a written notice to the other Party and any such dispute that cannot be resolved within forty-five (45) calendar days of receipt of such notice (or such other period to which the Parties may agree) may be submitted to the courts of Düsseldorf, Germany.
- 29.2 Any and all disputes, claims or litigation arising from or related in any way to these GTC and/or the order confirmation, including its formation, shall be exclusively submitted to and resolved by the courts of Düsseldorf, Germany.



### 30 Severability

If any provision of these GTC should be or become wholly or partially void, ineffective or unenforceable, the validity, effectiveness and enforceability of the other provisions of these GTC shall not be affected thereby. Any such invalid, ineffective or unenforceable provision shall be deemed replaced by such valid, effective and enforceable provision as comes closest to the economic intent and purpose of the invalid, ineffective or unenforceable provision as regards subject matter, extent, time, place and scope. The aforesaid shall apply *mutatis mutandis* to any gap in these GTC.

