

## 1. Applicability

- 1.1. Only these conditions of purchase shall govern all agreements. We will not recognize conditions of the supplier which contradict our conditions, unless we have expressly agreed to their applicability. These conditions of purchase also apply if we accept or pay for delivery without reservation while knowing of the supplier's contradictory or deviating conditions.
- 1.2. These conditions of purchase also apply in their respective version for future contracts governing deliveries or services, without requiring express reference to these conditions in each individual case. The supplier shall be promptly informed of changes to the conditions of purchase.
- 1.3. Individual agreements with the supplier, including ancillary agreements, additions and modifications, shall take precedence. A written agreement or our written confirmation shall govern the contents of such agreements.
- 1.4. Legal declarations and notices submitted by the supplier after conclusion of the contract (e.g. deadlines, declaration of rescission) require the written form to become effective.

## 2. Orders

- 2.1. Orders are only binding if they are issued or confirmed by us in writing. All other statements, including changes to the clause requiring the written form, require our written confirmation to become effective.
- 2.2. We may, to a reasonable extent, request changes to the construction and design of the delivery item, if such changes become necessary due to order changes or to short-notice and diverging new orders of our customers. Consequences of any changes, particularly with regard to increased or decreased costs as well as delivery dates, are to be arranged as appropriate by mutual agreement.

## 3. Prices and Payment

- 3.1. All prices are deemed to be fixed prices. Payment shall be made by the payment method of our choice within 14 days with a 3% discount or within 30 days from delivery/acceptance of the goods and receipt of a proper invoice.
- 3.2. A delivery made prior to the agreed date shall not affect the deadline for payment linked with the agreed date of delivery.
- 3.3. With delivery of goods, but no later than two months after delivery or acceptance, the supplier shall present an invoice that fulfills all relevant legal and tax requirements.

## 4. Transfer of Risk, Acceptance, and Ownership Rights

- 4.1. Regardless of the agreed pricing, in the case of delivery of goods without a setup or installation obligation, the risk is transferred to us upon delivery to the address specified by us. If the supplier has accepted a setup or installation obligation, risk is transferred upon acceptance by us of the performance rendered.
- 4.2. Ownership of the delivered goods is transferred to us upon payment. Any prolonged or expanded reservation of ownership is excluded.

## 5. Delivery Deadlines and Dates

- 5.1. Adherence to the agreed deadlines is essential to the purpose of the contract and all dates in the contract are binding. If the supplier anticipates problems in adhering to a date or in fulfilling other obligations, the supplier must notify us immediately.
- 5.2. If the supplier is in default, we may demand a penalty in the amount of 0.3% of the net price per completed week day, but in total not more than 5% of the net purchase price of the delayed goods. We are entitled to demand the contract penalty in addition to performance and, as a minimum sum, the damages owed in accordance with the statutory provisions; the right to claim further damages shall remain unaffected. If we accept the delayed performance, the contract penalty may be claimed until the final payment. If the supplier is not at fault, there is no obligation to pay the contract penalty.

## 6. Quality and Scope of Services

- 6.1. The supplier is aware that we primarily produce for the automotive industry and that the finished parts must therefore correspond to the standards requested by the automotive industry. The supplier must continuously align the quality of products to be supplied with the latest state of the art and notify us of possible improvements and technical modifications.
- 6.2. The supplier must establish and maintain a quality assurance system that is suitable in type and scope, that reflects the state of the art, and that is documented. The supplier shall create records, particularly of his quality checks, and shall make these available on request.
- 6.3. The supplier hereby agrees to quality audits by us or by someone commissioned by us to assess the effectiveness of the supplier's quality assurance system.
- 6.4. Assembly, operating and storage instructions are to be supplied in German at no cost. The same applies to documentation of servicing and maintenance. We are entitled to reproduce these instructions and documents, to use them for procuring replacement and spare parts, and to modify them.
- 6.5. The supplier is obliged to maintain adequate product liability insurance coverage, which in particular covers the risk of recall.

## 7. Safety, Environmental Protection, Social Responsibility and Minimum Wage

- 7.1. The supplier must comply at all times with all relevant laws, regulations, rules and directives (particularly with respect to product safety, packaging, fair working conditions, equal opportunity, and compliance with environmental protection requirements), provided that they apply in the country of manufacture or the receiving country.
- 7.2. Furthermore, the supplier must adhere to the Automotive Declarable Substance List (GADSL) in its current version ([www.gadsl.org](http://www.gadsl.org)).
- 7.3. The supplier shall adhere to the principles of the UN Global Compact Initiative. These mainly concern the protection of international human rights and the right to collective bargaining, the elimination of forced labor and child labor, the elimination of discrimination in recruitment and employment, responsibility for the environment and the prevention of corruption.
- 7.4. The supplier will provide to us all information necessary for us to comply with all relevant laws, rules and regulations when using the goods.
- 7.5. The supplier undertakes to ensure that he/she and all subcontractors employed by him/her as well as any workers employed by said subcontractors are paid the applicable minimum wage according to the German Minimum Wage Act (MiLoG). The supplier also confirms that his/her company and its subcontractors are not excluded from the award of public contracts according to Section 19 of the German Minimum Wage Act (MiLoG).
- 7.6. We are entitled to request a random check of payrolls for the workers employed by the supplier and subcontractors in an anonymous form (wage and salary lists).
- 7.7. In the case that we are subjected to a claim by an employee of the supplier and/or subcontractors due to an existing claim for remuneration in accordance with the provisions of MiLoG, the supplier undertakes to pay us upon first request a contractual penalty for each claim in the amount of EUR 2,500 – not to exceed EUR 25,000 for all infringements within a year. The contractual penalty is to be offset against any further claim for damages. If the supplier is not at fault, there is no obligation to pay the contract penalty.

## 8. Import and Export Regulations, Customs

- 8.1. For deliveries from an EU member country outside Germany, the supplier must indicate his/her EU sales tax identification number.
- 8.2. Imported goods must be delivered duty-paid. The supplier is obliged to report at the supplier's expense any declarations and information required under the Regulation (EU) No. 2015/2447, to

approve inspections by the customs authority and to provide the required official confirmations.

- 8.3. For goods, the customs tariff number of the country of origin must be indicated; for listed goods, the national list number as well as the list number for the USA must be included if the goods are subject to U.S. export regulations. Preferential proof of origin as well as certifications and marks of conformity from the origin or destination country are to be presented without request; autonomous certificates of origin are to be presented upon request.
- 8.4. Information (in particular confidential information) exchanged between the Parties may be subject to export restrictions or controls pursuant to US export regulations or any other national or international laws and provisions. The supplier shall control the access to any Information provided to him. Further to this the supplier shall be obliged to refrain from any direct or indirect export of any Information before obtaining any necessary approvals and/or licenses pursuant to the applicable law.

## 9. Agreed Quality

- 9.1. The supplier shall ensure that: (a) the goods are suitable for the intended purpose and are new, are marketable, are of good quality and are free from defects in design, material, construction, manufacture and installation; (b) the goods conform strictly to the specifications, approved samples and all other requirements arising from the agreement; c) the goods are free from encumbrances and the rights of third parties, in particular free of encumbrances in rem; e) all goods are developed, manufactured and delivered in accordance with applicable statutory provisions and regulations, in particular with the Product Safety Act (ProdSG), with environmental, work safety and general safety provisions and with accident prevention regulations, with labor laws and with the minimum wage act; (f) the goods are furnished with all information and instructions required for proper and safe storage, use, processing, further sale and disposal.
- 9.2. The supplier shall immediately inform us in the event of discrepancies with the quality described above, particularly in the event of discrepancies between contractual specification and mandatory statutory provisions or the state of the art in science and technology. In this case, we will find an amicable solution with the supplier.
- 9.3. The contractual warranty period for delivered goods is 36 months from any delivery of the goods by us to our customers, but no more than 48 months since delivery by the supplier.
- 9.4. For rectification of defects or replacement delivery within the warranty period, the warranty period for repaired or replaced goods is 24 months, but extends at least until the original warranty period.

## 10. Industrial Property Rights

- 10.1. The supplier shall be liable for claims arising during contractual use of the delivered items from the infringement of industrial property rights and patent applications (industrial property rights), of which at least one is a published right originating from the family of industrial property rights of the patent and trade mark office of the supplier's home country, the European Patent Office or the Office for Harmonization for the domestic market or the respective patent and/or trade mark offices of Germany, France, the United Kingdom, Austria or the United States.
- 10.2. The supplier shall indemnify us and our customers from all claims arising from the use of such industrial property rights and shall reimburse us in the case of such infringement of industrial property rights for any costs and damages accrued in connection with this.
- 10.3. This shall not apply where the supplier has manufactured the delivery item according to drawings, models or other equivalent descriptions or information provided by us and does not know, or is not required to know in connection with the products developed by the supplier that doing so infringes on industrial property rights.

- 10.4. Provided that the supplier is not liable in accordance with Section 10.3, we indemnify the supplier from all claims by third parties.
- 10.5. The contracting parties undertake to promptly notify each other of any risks of infringement and alleged cases of infringement and to allow opportunity to amicably counter corresponding claims.
- 10.6. The supplier shall notify, if requested, of the use of published and unpublished industrial property rights that are owned or licensed by the supplier and of patent applications of third parties for the object of delivery.

## 11. Inspection, Refusal and Acceptance

- 11.1. Acceptance of, inspection of or payment for the goods shall not be regarded as unconditional acceptance and does not release the supplier from the contractual obligations, commitments and warranties.
- 11.2. We will promptly check delivered goods for obvious damage, identity and completeness. Obvious deficiencies shall be promptly reported, generally within 2 weeks of receipt of the goods. Hidden deficiencies shall be promptly reported, generally within 2 weeks of their discovery. The supplier will pick up defective goods from us at the supplier's own expense within two (2) weeks of being notified of the defects or will perform the services promptly according to our instructions at the supplier's own expense. If goods are not picked up within two (2) weeks, we are entitled to send the goods back to the supplier at the supplier's own expense and risk or to store them. Other or additional contractual or legal claims remain unaffected.
- 11.3. If part of a batch or a delivery of similar items is determined from a sample not to conform with the contract, we may refuse acceptance of and return the entire delivery or the entire batch without further examination; alternatively, we may also inspect the entire batch or delivery and refuse acceptance of all or specific non-compliant goods and return these along with a charge for the costs of the inspection to the supplier (or accept them at a reduced price).

## 12. Warranty Rights

- 12.1. In the case of goods that do not conform with the agreed quality or are otherwise not in compliance with the contract, we are entitled, without prejudice to any other legal or contractual rights and claims a) to demand, according to our choice and at no cost, prompt rectification of defects or replacement delivery ("subsequent performance"); and b) to reduce the price, to withdraw from the contract in part or in full or to demand compensation in lieu of performance if the subsequent performance is unsuccessful after expiry of a reasonable period of time; the right to demand compensation for damages is not restricted by withdrawal; and c) in particularly urgent cases in which the supplier cannot be informed in time to allow a subsequent performance within a grace period, to carry out subsequent performance ourselves at the expense of the supplier.
- 12.2. The supplier shall bear all the costs and expenses for the rectification of defects, the replacement delivery and the transport of the defective goods or performance; the supplier must reimburse us for all resulting costs and expenses accrued (in particular testing, installation, removal, handling and storage costs). We can also request reimbursement of the costs that accrue in connection with inspections if a more-than-average occurrence of defects forces us to conduct incoming goods inspections that exceed the usual sampling. In the case of defects that are noticed by us only when working or processing the goods or that are first noticed during use, we are entitled to the reimbursement of unnecessary costs.
- 12.3. Further or differing contractual or legal rights or claims remain unaffected.

## 13. Indemnity

- 13.1. If the supplier is responsible for damage beyond the delivered goods and statutory product liability claims are made against us, the supplier is obliged to indemnify us upon first request from all claims of third parties provided that the cause of the damage lies

within the area of responsibility of the supplier and the supplier is liable in relation to third parties.

- 13.2. In the context of the supplier's liability for damages within the meaning of Section 1, the supplier is also obliged to reimburse any expenses in accordance with Sections 683, 670 of the German Civil Code (BGB) as well as in accordance with Sections 830, 840,

426 of the German Civil Code (BGB) resulting from or in connection with a recall action implemented by us and/or third parties, in particular by our customers. In particular, the supplier indemnifies us from all claims of our customers that are asserted in conjunction with preventive customer measures (including recall). We will inform the supplier regarding the content and scope of the recall measures to be implemented – if possible and reasonable – and give the supplier an opportunity to comment. Other legal claims shall remain unaffected.

#### 14. Drawings, Documents, Tools

- 14.1. Drawings and other documents, devices, models, tools, and other means of production provided to the supplier shall remain our property. Ownership of tools and other production means paid for by us is transferred to us upon payment, provided that no agreements otherwise have been made in the tool contract. They are to be properly stored, carefully handled and appropriately insured by the supplier. We may demand at any time that tools and means of production that are our property be handed over to us. The items named above may not be scrapped without our written consent.

- 14.2. All drawings, documents, devices, models, tools and other means of production produced according to our information or paid for by us must not be made accessible to third parties. They may not be used for purposes other than those contractually agreed, e.g. for delivery to third parties. They shall be carefully stored by the supplier at the supplier's expense.

#### 15. Confidentiality and Data Protection

- 15.1. The contractor shall keep confidential from third parties all operational processes, facilities, equipment, documents, etc. of the ordering party and its customers that become known to the contractor in the context of the contractor's activities for the ordering party, even after submission of the relevant offer or execution of the contract. The contractor shall impose corresponding obligations on the contractor's employees and/or vicarious agents.

- 15.2. The supplier agrees that we may store on computer equipment the required data of the supplier and contracts concluded with the supplier in the context of the business relationship and that we may use said data only for our own purposes within our affiliated companies. Further agreements on data protection shall be stipulated as necessary in separate agreements.

##### 15.3. Privacy

We create trust among our employees, business partners and customers by respecting data protection as a personal right. To secure this trust, our partners are instructed to observe the following regulations.

##### 15.4. Commitment to data secrecy and confidentiality

The partners of the KSM Castings Group shall bind their employees to data secrecy and confidentiality.

##### 15.5. Dealing with data breaches

In order for the KSM Castings Group to comply with its reporting obligations under data protection law, our partners are instructed to immediately notify the project manager, the data protection officer or the information security officer of the KSM Castings Group of any data mishaps in the context of commissioned processing.

##### 15.6. Data subject rights and information security

The General Data Protection Regulation multiplies the obligations to be taken into account with regard to the

information of data subjects. The data subjects should know who collects which data about them and for what purpose and be entitled to check the data collection and processing or use. The data subjects of a data processing have all the rights they are entitled to according to Art.7 GDPR and Art. 12-22 GDPR. The partners of the KSM Castings Group are required to support the processing of corresponding requests from data subjects in accordance with the order processing agreement.

##### 15.7. Security guidelines and TISAX

Information security means the adequate protection of applications, data, systems and necessary resources. The KSM Castings Group follows the information security standard ISO 27001 and the automotive industry standard TISAX. To ensure these standards, we require our partners to comply with the following:

- 15.8. Ensuring the availability, integrity, confidentiality and authenticity of information. To ensure these requirements, KSM Castings Group requires suppliers to implement policies to ensure the availability, integrity, confidentiality and authenticity of information, as well as compliance with legal regulations and customer requirements.

- 15.9. Ensure compliance with legal regulations and customer requirements.

- Ensure a continuous improvement process under the supervision of an Information Security Officer.
- Compliance with the information security rules of this policy and notification of anomalies.
- Providing a secure IT environment and trouble-free operation.
- Ensuring secure data exchange among ourselves, with our customers as well as our suppliers.
- The stipulations of this policy and the requirements for an appropriate level of information security and data protection are contractually passed on to the supplier's subcontractors.

##### 15.10. Cloud services

If a new cloud service is to be deployed in the activity for the KSM Castings Group, the project officer and the information security officer as well as, especially in the case of processing personal data, the data protection officer must also be involved in the planning.

##### 15.11. Cryptography

Cryptography is a method of protecting information and communications by using code so that only those who are cleared to do so can read and process the information. The KSM Castings Group's partners are prohibited from using proprietary cryptography, either in the form of algorithms, communication protocols, or as random number generators. Instead, established standard libraries, functions and protocols are to be used for encryption.

##### 15.12. Classification guideline

To ensure information security, information in the KSM Castings Group is divided into different classifications depending on its area of use. The "need-to-know principle" applies across the board at all classification levels, according to which only those persons who need company-critical information to perform their tasks have access to it. The classification rules must be observed by all partners of the KSM Castings Group.

| Classification level  | Marking               | Access restriction                                | Description   |
|-----------------------|-----------------------|---|---|
| Public                | (no labeling)         | Information is available to the public.           | Information classified as "public" does not have to be marked separately.<br>The respective person responsible for information decides on the publication of a document.  |
| Internal              | INTERNAL              | Information is available to all employees.        | Information classified as "internal" within the KSM Castings Group shall be marked "INTERNAL".<br>Internal information may be provided without restriction to employees of KSM Castings Group or to outside agencies as needed for official business.                             |
| Confidential          | CONFIDENTIAL          | Information is available for selected users only. | Information classified as "Confidential" within the KSM Castings Group shall be marked "CONFIDENTIAL".<br>Confidential information can be transmitted to specific users, i.e. users named by the author, if required for official purposes. This is done via a distribution list. |
| Strictly confidential | STRICTLY CONFIDENTIAL | Information is only available to management.      | Information classified as "STRICTLY CONFIDENTIAL" within the KSM Castings Group shall be marked "STRICTLY CONFIDENTIAL".<br>Strictly confidential information may only be communicated to the management. This is done via a distribution list.                                   |

## 17. Final Provisions

- 17.1. The place of performance for all deliveries is the place of receipt designated by us.
- 17.2. Place of jurisdiction is our headquarters or, according to our choice, the general place of jurisdiction of the supplier.
- 17.3. The laws of Germany shall apply for all legal relationships between us and the supplier. Applicability of the United Nations Convention of April 11, 1980 regarding Contracts for the International Sale of Goods (CISG) is expressly excluded.

### 15.13. Briefings

Instruction on the topics in this policy for the supplier's employees is provided by the partner company itself.

### 15.14. Compliance with the Partner Policy

KSM Castings Group may verify the compliance of suppliers with the aforementioned principles and requirements by means of self-disclosures by the supplier, audits or in any other appropriate manner if there is justified cause, e.g. if criminal proceedings are initiated against the supplier. If the legal regulations applicable to the respective location of the supplier are more restrictive than the regulations applicable at KSM Castings Group in the Federal Republic of Germany, these shall take precedence.

A violation of the principles and requirements of this Partner Policy is a material breach of contract by the Supplier and entitles KSM Castings Group to immediately terminate the Supplier relationship in whole or in part, including permanently.

### 15.15. Approval of the Partner Policy

As a supplier to KSM Castings Group, we support the Partner Policy by implementing compliance with expectations and requirements for our and all of our affiliated companies. We will encourage our suppliers to do the same.

We hereby acknowledge the KSM Castings Group Partner Policy and confirm compliance with it.

## 16. Severability Clause

Should individual provisions of these conditions of purchase be entirely or partially invalid, the effectiveness of the remaining conditions shall remain unaffected.