

General Terms and Conditions of Purchase of GGB Heilbronn GmbH

Section 1 - Scope of validity and application

- (1) Our terms and conditions of purchase shall apply, inter alia, for all orders placed by us and contracts concerning the purchase of goods as well as works or services provided to companies, legal persons under public law and a special fund under public law according to section 310, paragraph 1 BGB [Bürgerliches Gesetzbuch; German Civil Code]. Furthermore, our terms and conditions of purchase shall apply exclusively.
- (2) We do not accept and hereby expressly reject any conflicting conditions or conditions deviating from ours or supplementary conditions of the supplier. The supplier's terms and conditions of purchase shall not be binding on us, even if we do not expressly reject them or if we unconditionally accept the delivery from the supplier in the knowledge of contradicting or supplementary conditions. They shall only become valid for us if we expressly accept them in writing. To the extent we participate in electronic platforms of our suppliers or confirm selection fields to be activated according to the system, this shall not be deemed to be the legal acceptance of any general terms and conditions or any other terms of use.
- (3) Our terms and conditions of purchase shall also apply for all future supply agreements with the supplier.
- (4) Individual agreements made with the supplier in the individual case shall take priority over these terms and conditions of purchase, in every case. Subject to counterevidence, a written contract or our written confirmation shall be decisive for the content of such an agreement.

Section 2 - Offer and acceptance

- (1) Offers made to us shall be binding offers. The supplier shall be bound by their offer for a period of two (2) weeks.
- (2) All orders and agreements with the supplier shall only be binding on us if they are made in text form or agreed upon in writing. All changes, additions, or subsidiary agreements made before, after or at the time of the conclusion of the contract requires our confirmation in text form or in writing. This form requirement can only be waived in writing or in text form.
- (3) We are entitled to revoke if the supplier does not accept our order in writing or in text form within a period of two (2) weeks after its receipt. To the extent that our order is supplemented or changed, these supplements or changes shall only be valid if they are expressly and separately indicated and we expressly accept them. The same shall apply for any other deviations from our orders. If we transmit call-offs, they shall be deemed to be accepted and confirmed by the supplier if we do not receive a written objection within three (3) working days after the supplier received the call-off. In general, call-offs do not require an order confirmation.

Section 3 - Price and payment

- (1) The price stated in the order shall be binding, unless expressly agreed upon otherwise with us in writing. The costs of packaging and shipment shall be borne by the supplier. The delivery shall be made according to DDP Incoterms 2010. We are allowed to reject additional services and costs which are not agreed upon individually. Ordered works certifications, test certificates, PPAPs or other samplings shall be provided to the supplier free of charge.

- (2) We will pay the purchase price within (fourteen) 14 days after delivery and receipt of the invoice with a discount of 2 % or within (thirty) 30 days net.
- (3) The receipt of our transfer order by our bank shall be decisive for the timeliness of the payment with regard to the discount.
- (4) Place of payment shall be our place of business. All payments shall be made in Euro. We will pay all prices agreed in Euro irrespective of any revaluations or devaluations of the Euro against other currencies. An increase of a price in a foreign currency in the case of currency fluctuations shall be excluded.
- (5) We can only process invoices if - in accordance with the specifications in our order - the order number stated in the order is specified in the invoice; the supplier shall be responsible for all consequences resulting from the non-compliance of this obligation.
- (6) We are entitled to the rights of offsetting and retention to the statutory extent.

Section 4 - Delivery

- (1) Place of performance shall be our place of business, unless another place of performance is specified in our order.
- (2) The delivery time indicated in the order shall be binding. The supplier shall be obliged to immediately inform us in writing if circumstances arise or if the supplier becomes aware of circumstances which indicate that the determined delivery date cannot be met. If a fixed date has been stipulated for the delivery, the supplier shall be deemed to be in default if this deadline passed without any further reminder or notification being required. In case of a delay in delivery, we shall be entitled to statutory claims. In particular, we are entitled to demand damages in lieu of performance after unsuccessful expiry of a reasonable grace period.
- (3) Furthermore, in case of a delay in delivery, we shall be entitled to demand a penalty in the amount of 0.5 % for each commenced week of delay, however, in the maximum amount of 5 % of the order value; however, the supplier has the right to provide evidence to us that an essentially smaller or no damage occurred. We reserve the right to assert any further damage. We will declare the reservation of penalty upon payment of the invoice, at the latest, which is issued after receipt of the delayed delivery.
- (4) All goods shall exclusively be examined at the premises of the supplier. Upon our request, the test records must be made available within two (2) working days. At the time of delivery, we will only perform an identity test concerning the type of goods, delivery quantity and an externally, easily recognisable damage and we will notify such a damage within two weeks after detection at the latest. We are not subject to further obligations for examination according to section 377 HGB [Handelsgesetzbuch; German Commercial Code]. We will immediately inform the supplier in writing about hidden defects as soon as they are detected under the circumstances of the normal course of business. In this respect, the supplier waives the objection of delayed notice of defects.
- (5) The supplier is not entitled to make partial deliveries without our prior written consent.
- (6) The supplier is not entitled to have the contractual performance carried out by a third party (e.g. subcontractor) without our prior written consent.

- (7) The delivery must be in compliance with REACH, RoHS and ELV, and the delivery shall be carried out in compliance with the relevant laws, in particular the Regulation 1907/2006/EC (REACH Regulation) and the Regulation 1272/2008/EC (GHS Regulation), the Directive 2011/65/EU (successor directive for RoHS 2002/95/EC) and 2000/53/EC. The supplier shall make available to us the safety data sheet required according to the REACH Regulation in German and, upon request, in other languages. Upon our request, the supplier shall provide us with all relevant IMD system data, REACH data, GHS data and all other data relevant according to export laws, free of charge.
- (8) We expect that suppliers who manufacture or deliver production materials and/or finished parts or who are involved in the processing of those materials and/or parts have the required quality management systems, such as ISO 9001 and/or TS/IATF16949, if needed. The supplier shall proactively inform us if one or more of their certificates relevant for the quality, environmental or occupational health and safety management system expire, are withdrawn or suspended or reviewed or if the certification status is changed for any other reason. The supplier shall inform us about this within 5 working days.
- (9) The supplier is obliged to make a supplier's declaration or to provide a proof of origin according to the customs provisions. If a long-term supplier's declaration is made, the supplier shall be obliged to inform us immediately and without prior request about every modification of the properties of the goods which are relevant with regard to the preferential origin rules. The supplier shall be liable for every damage arising from incorrect content of the declaration or the fact that the declaration is not made in proper form or in due time and the supplier is responsible for this.
- (10) Furthermore, the supplier undertakes to identify so-called conflict minerals (tin, tantalum, gold and tungsten) within their supply chain and to ensure by appropriate measures that materials delivered to us do not contain conflict minerals from countries mentioned in section 1502 of the Dodd-Frank Act. If conflict minerals are necessary within the framework of the production or for the functioning of the goods delivered by the supplier, the supplier shall disclose the origin and, upon request, immediately provide us with the complete necessary documentation concerning the use.
- (11) If the goods of the supplier are subject to approval according to the respective applicable German, European or US export, customs and foreign trade laws, the supplier shall inform us about this in writing and in due time before the delivery date.

In this case, we need the following information and data from the supplier:

- the export list number according to annex AL of the German Foreign Trade Ordinance or equivalent list items of relevant export lists, if applicable;
- according to the "U.S. Commerce Control List" (ECCN), the "Export Control Classification Number" if the goods are subject to the "U.S. Export Administration Regulations" (EAR);
- the statistical goods number (HS/KN code);
- the country of origin (trade/non-preferential origin), key for code of the origin country: D = third country / E = EU / F = EFTA;
- all other information and data which we need for the import and export or in case of resale for the re-export of the goods.

If the abovementioned data or information should change, the supplier shall be obliged to inform us immediately and in writing about this. If the supplier does not comply with this obligation in due time, they breach their obligations according to this paragraph and they shall compensate us for all resulting expenses and damage as well as for all other disadvantages (subsequent claims for foreign import duties, fines etc.). This shall not apply if the supplier is not responsible for the breach of duty.

In general, the suppliers of finished parts are obliged to submit to us the respective long-term supplier's declaration in the currently valid layout or form for the year to come before the end of the current year.

Section 5 - Property, reservation of title and confidentiality

- (1) If the delivery item is paid before delivery, the property or the expectant right of the supplier in the goods purchased by us shall be transferred to us upon receipt of payment. The handover of the goods shall be replaced by the supplier keeping the goods as indirect owner for us or by the supplier assigning their claim for surrender against the indirect owner.
- (2) An extended or prolonged reservation of title on the part of the supplier is not agreed upon between the parties.
- (3) Tools, equipment and models which we provide to the supplier or which we manufacture for contractual purposes and which are invoiced separately by us, shall remain our property or pass into our property. The supplier shall mark them as our property, keep them carefully, protect them against damage of any kind and use them for the purposes of the contract only.

The costs of their maintenance and repair shall be borne equally by the contractual partners, unless agreed otherwise. However, to the extent that these costs are caused by defects of such items produced by the supplier or the improper use by the supplier, their employees or other vicarious agents, they shall be borne by the supplier alone. The supplier shall immediately inform us about every damage to these items which is not an insignificant damage. Upon request, the supplier is obliged to hand over the items to us in proper condition if they do no longer need them to fulfil the contracts concluded with us.

- (4) Processing or remodelling by the supplier shall be undertaken for us. If the goods are remodelled or processed or combined with other items not belonging to us, we will acquire co-ownership of the new item in the proportion of the value of our item to the other processed items at the time of the processing.
- (5) We reserve title and the copyright to all documents (e.g. figures, test specifications), samples and models, drawings, calculations, descriptions and other documents which we made available or accessible to the supplier. Such documents shall exclusively be used for the contractual performance. The disclosure to a third party is not allowed without the prior written consent.
- (6) Furthermore, the supplier shall maintain confidentiality towards any third party concerning all information, documents, technical records, procedural methods, drawings, formulations, models, tools, software and other technical and commercial know-how which we made accessible to the supplier or which the supplier acquired through us as well as any work results obtained in connection therewith (in following referred to as "confidential information"). The supplier may use confidential information in their business exclusively to carry out deliveries to us and the supplier is only allowed to make the confidential information available to those persons who need to know

them within the framework of the business relation and who have been obligated to maintain confidentiality in accordance with this provision. This shall also apply beyond the duration of the business relationship, as long and insofar as the supplier cannot provide evidence that confidential information was already public knowledge or known to them at the time of disclosure or that they became public knowledge later without any fault on the part of the supplier.

- (7) The disclosure of confidential information does not establish any rights for the supplier to industrial property rights, know-how or copyrights. The disclosure does also not establish any rights for the supplier and the disclosure does not constitute a prior publication or a right of prior use according to the applicable patent, design and utility model laws. Any kind of license requires a written agreement with us.
- (8) The above provisions shall apply mutatis mutandis for materials and substances and in particular for, but not limited to, tools, templates, samples and other items which we provide to the supplier for production. The supplier shall store such items separately at their own cost, as long as the items are not processed, and to protect them against destruction and loss to an appropriate extent.
- (9) The confidential information and other documents shall be returned to us in proper condition at any time upon our request and at the latest upon termination of the business relationship (including any copies, duplicates, extracts and reproductions) or, at our option, they shall be destroyed at the supplier's expense. The supplier does not have a right of retention in this regard.

Section 6 - Product liability - exemption - third party liability insurance cover

- (1) The supplier shall hold us harmless, upon first request, against all claims of third parties which are asserted against us or the supplier in connection with personal injury and/or damage to property, if and to the extent that the cause lies within the supplier's area of control and organisation. In this context, the supplier is also obliged to reimburse us for all expenses incurred by us from or in connection with a recall action carried out by us or any other measure, in accordance with the statutory provisions concerning negotiorum gestio. We will inform the supplier about the content and scope of the recall action to be carried out - in advance, if possible and reasonable - and give them the opportunity to comment.
- (2) The supplier undertakes to maintain a product liability insurance (including extended product liability and recall cost coverage) with a lump-sum insurance cover of at least € 2.5 million per personal injury, damage to property and product-related damage; if we are entitled to further claims for damages, these claims shall remain unaffected and they are not limited to the sum insured.

Section 7 - Property rights

- (1) The supplier shall guarantee that no rights of a third party are breached in connection with the delivery. If claims are asserted against us by a third party due to a violation of such rights, the supplier is obliged to hold us harmless against those claims upon our first written request. In this case, we are not allowed to enter into any agreement with the third party concerning the alleged violation of rights without the supplier's consent, in particular we are not allowed to enter into a settlement agreement.

- (2) The obligation of the supplier to hold us harmless shall apply to all expenses necessarily incurred by us from or in connection with the claims asserted against us by a third party.

Section 8 - Liability for defects, further liability and availability of spare parts

- (1) The supplier shall be liable according to the statutory provisions, in particular for defects of the deliveries. The liability is not limited or excluded with regard to cause or amount; the supplier shall hold us harmless against claims of a third party in this respect.
- (2) According to the statutory provisions, the supplier shall in particular be liable that the goods have the agreed quality at the time the risk is transferred to us or - if such a quality is not agreed - that they are suitable for the intended use. All product descriptions, product drawings, product specifications and samples which are object of the respective contract - in particular by description or reference in our order - or which are incorporated in the contract in the same way as these general terms and conditions of purchase shall be deemed to be an agreement concerning the quality of the goods. It makes no difference whether the product description originates from us, the supplier or the manufacturer.
- (3) By acceptance or approval of submitted samples or specimen, we do not waive any warranty claims or other claims to which we are entitled according to the statutory provisions.
- (4) We are entitled to statutory warranty claims without deduction. If the supplier does not fulfil the obligation to render supplementary performance - at our option by remedying the defect (rectification) or by delivering an item which is free from defects (replacement delivery) - within the period set by us, we are allowed to remedy the defect ourselves and to demand from the supplier compensation for the expenses necessary for this or an appropriate advance payment. If the supplementary performance by the supplier has failed or is not reasonable for us (e.g. due to particular urgency, risk to operational safety or the imminent occurrence of a disproportionate damage) no time period needs to be set; we will inform the supplier about such circumstances, if possible in advance. Furthermore, we are entitled to demand a reduction of the purchase price or to withdraw from the contract, in accordance with the statutory provisions. The supplier is only allowed to refuse the type of supplementary performance chosen by us if it would lead to disproportionately high costs. We are entitled to the full statutory claims for damages.
- (5) If it should be necessary to carry out an incoming goods inspections which exceeds the usual scope as a result of a defective delivery, the resulting costs shall be borne by the supplier.
- (6) The supplier shall bear the expenses necessary for the inspection and the removal of defects or the replacement delivery, in particular costs for transport, travel, labour and materials (including any assembly and dismantling costs); this shall also apply if it becomes evident that actually a defect did not exist. Our liability to pay damages in the case of an unjustified request to remove a defect shall remain unaffected; in this regard, we are only liable if we recognised or grossly negligently did not recognise that a defect did not exist. The right to claim damages or compensation of expenses shall remain unaffected.

- (7) The limitation period shall be 36 months from the date of the transfer of risk. To the extent provided by the laws, the limitation period shall be 5 years from the date of the transfer of risk if the delivery item is intended to be used for a building and the delivery item has caused defects of a building.
- (8) Upon receipt of our written notification of defects by the supplier, the limitation of warranty claims shall be suspended. In the case of a replacement delivery and a removal of defects, the warranty period for replaced and repaired parts shall begin anew, unless the supplier carried out the measure exclusively as a gesture of goodwill.
- (9) The supplier is obliged to hold available spare parts for the goods delivered to us, for a period of at least 15 years after the date of delivery. If the supplier intends to discontinue the production of spare parts for the goods delivered to us, they shall inform us immediately after such a decision, however, at least six months before discontinuation of the production.
- (10) In the case of defects of title, the supplier shall also hold us harmless against possibly existing claims of a third party. For claims arising from defects of title, including rights to exemption according to sentence 1, a limitation period of 10 years shall apply.

Section 10 - Set-off, rights to refuse performance, assignment

- (1) The supplier expressly agrees that offsetting on our part against due claims shall be possible without restrictions and that we are entitled to the full statutory rights to refuse performance as well as the full statutory rights of retention.
- (2) The supplier is not allowed to assign their claims arising from the contractual relationship to a third party.

Section 11 - Minimum Wage Act

- (1) The supplier assures us that the supplier themselves and all permissibly deployed contractors of the subcontractor chain as well as any lender commissioned by these contractors will pay their deployed employees the respective applicable minimum wage according to the Minimum Wage Act.

The supplier confirms us that their company as well as companies of the subcontractor chain deployed by the supplier are not excluded from public procurement procedures according to section 19 of the Minimum Wage Act.

- (2) If we should request submission of current pay slips, on a random basis, of the employees deployed by the supplier and the subcontractor chain, also without a specific reason, during the examination of the supplier's offer, the supplier shall provide us with such pay slips in anonymised form (payrolls). Alternatively, the supplier may also provide evidence to us that the supplier and the companies of the subcontractor chain comply with the Minimum Wage Act by immediate submission of a current confirmation issued by an appropriate objective expert (e.g. an auditor).
- (3) If an employee of the supplier of the subcontractor chain should assert claims against us due to an actually existing remuneration entitlement according to the Minimum Wage Act, we are allowed to cancel orders according to section 2 extraordinarily and thus without notice.

- (4) If claims of a third party are asserted against us in connection with the violations of the Minimum Wage Act, the supplier shall be obliged to hold us harmless against these claims upon first request. However, the aforementioned obligation to hold us harmless shall not apply if it is demonstrated that we and/or our employees or vicarious agents were, intentionally or grossly negligently, in breach of the Minimum Wage Act in this individual case.

Section 12 - Sustainability

GGB is committed to the principle of sustainability with the goal of not only generating profits, but to generate profits already environmentally and socially acceptable. Since natural resources are limited and we have to be careful with our environment, it is the duty of GGB to deal with these resources diligent, to recognize their limitations and to respect the environment. The principle of sustainability also includes social interaction and the creation of working conditions that promote fair, healthy and respectful interaction. GGB sees these principles not only as a model for a responsible company but also as a call for action along the supply chain. Therefore, GGB has committed itself to following principles in particular and demands the appropriate implementation from its suppliers and its subcontractors:

Environmental protection

- (1) Creation and application of environmental management systems

Environment-oriented management is one of the main objectives of the corporate policy. We therefore expect all business partners with production sites to have a suitable environmental management system. In addition, we expect our main suppliers to have a certified environmental management system in accordance with international standard ISO 14001 or the EMAS Directive of the European Union.

- (2) Active approach to ecological challenges

Ecological challenges are tackled with due care and with foresight. Measures are taken to ensure that environmental issues are dealt with in a responsible manner. The objective is to develop and disseminate environmentally friendly technologies.

- (3) Avoidance of damage to health and the environment; products and processes which use few resources and have low greenhouse gas emissions

Negative impacts on the environment and the health of employees are avoided or kept to a minimum in all activities. The efficient use of energy and materials, the minimization of greenhouse gas emissions, the use of renewable resources and the minimization of damage to health and the environment are all considered in the development, manufacture and use of products and in other activities.

- (4) Waste and recycling

Avoiding waste, re-using resources and recycling, as well as the safe, environmentally friendly disposal of residual waste are taken into account during the development, production and service life of products, and during the development and execution of production processes and other activities.

- (5) Training employees

Employees are instructed and qualified in environmental protection according to their duties, and encouraged to act accordingly.

Social engagement

- (1) Freedom of association
The basic right of all employees to form trade unions and employee representations and to join them is recognized. In countries where this right is restricted by local laws, alternative legitimate options for employee participation are to be supported.
- (2) No discrimination
Equal opportunities and equal treatment irrespective of ethnic origin, skin colour, sex, religion, nationality, sexual orientation, social origin or political view are guaranteed and based on democratic principles and tolerance towards those of a different opinion. In general, employees are chosen, employed and supported on the basis of their qualifications and capabilities.
- (3) No forced labour
We reject the conscious use of forced or compulsory labour including bonded labour and involuntary prisoner labour.
- (4) No child labour
Child labour is forbidden. The minimum age for permission to work (according to national regulations) is observed.
- (5) Compensation and benefits
The compensation and benefits paid or received for a normal working week correspond at the very least to the legally valid and guaranteed minimum. Where legal or collective bargaining agreements do not exist, compensation and benefits are based on industry-specific collective agreements customary to the respective location that ensure an appropriate standard of living for the employees and their families.
- (6) Working hours
Working hours correspond at least to the respective national legal standards or the minimum standards of the respective national economic sectors.
- (7) Occupational health and safety
The partner complies at least with the respective national standards for a safe and hygienic working environment and takes appropriate measures to guarantee health and safety at the workplace so that good working conditions are ensured.

Section 13 - Validity, choice of law; place of jurisdiction

This contract is subject to German law. The United Nations Convention on Contracts for the International Sale of Goods (CISG) (and other international rules) is not applicable. Place of jurisdiction shall be our place of business or the place of performance; however, we may bring an action against the supplier at their place of residence or business.

Validity 08/2018