

**General Terms and Conditions of Purchase for Automotive Suppliers**

of **GMH Gruppe SE & Co. KG**, D-49124 Georgsmarienhütte, and the companies affiliated with it pursuant to Section 15 of the German Stock Corporation Act (hereinafter collectively referred to as the "GMH Gruppe").

**1. Scope**

- 1.1 These Special Terms and Conditions of Purchase (the "**Terms**"), as they may be amended from time to time (available here: [Purchasing portal – GMH Gruppe \(gmh-gruppe.de\)](https://www.gmh-gruppe.de)), shall apply to all orders placed by the entities set forth above. Supplier general terms and conditions of business, which derogate from and/or are intended to supplement the Terms, shall not apply to us. Nor shall they apply if we do not object expressly thereto or if we discharge our contractual obligations absent any reservation.
- 1.2 The entity that specifically and individually forms the contract with the supplier shall also be referred to hereinafter as the "**Individual Entity**."
- 1.3 These Terms shall apply exclusively to suppliers who supply goods to or render services for an Individual Entity, which goods or services are intended to be utilized in and/or for product(s), which products in their turn are intended for the automotive industry: that is, for assembly in automobiles.
- 1.4 The terms set forth in the following documents, provided that the documents listed have been stipulated to specifically, shall apply to the collaborative venture between the Individual Entity and the supplier. In the event of inconsistencies between the documents, the documents shall apply in the following order, where a. shall have the highest priority and, hence, shall prevail over b.
  - a) purchase orders
  - b) warranty agreement (WA)
  - c) quality assurance agreement (QAA)
  - d) framework agreement/supply agreement
  - e) nondisclosure agreement (NDA)
  - f) Special Terms and Conditions of Purchase for Automotive Suppliers of the GMH Gruppe
  - g) Supplier Code of Conduct of the GMH Gruppe

**2. Orders**

- 2.1 Orders shall be placed via purchase orders or call-offs. Call-offs shall be based on delivery schedules of which the Individual Entity has given advance notice. Delivery schedules shall not be binding upon the Individual Entity and shall serve only to assist the supplier in its capacity planning efforts. Purchase orders shall be placed independent of delivery schedules. Orders shall be deemed to have been accepted insofar as the supplier does not object to the order within a time period equal to five (5) work days (Monday through Friday) of receipt of the order. As long as orders have not been accepted by the supplier, the respective Individual Entity can withdraw from the order concerned by giving notice to the supplier.
- 2.2 Orders must be placed and the acceptance thereof must be effectuated in the form of a signed writing, via EDI, fax, or email. Automatic acceptance as contemplated by Section 2.1 shall constitute the only exception.
- 2.3 The supplier can assign to third parties rights or claims arising from this contract only with our prior written consent.
- 2.4 The supplier can fill the order or material portions of the order through third parties only in the event that we have given our prior written consent thereto.
- 2.5 Offers shall be not only provided to us free of charge, but also nonbinding for us.

**3. Deliveries**

- 3.1 The delivery dates specified in the order shall be binding. All deliveries must be "delivered duty paid" (DDP) to the Individual Entity, as that term is contemplated by Incoterms, as they may be amended from time to time and as applicable at the time of contract formation. Should the supplier have its registered office outside the country in which the respective Individual Entity has its registered office, then – in derogation of the foregoing – all deliveries shall be made pursuant to DAP Incoterms, as they may be amended from time to time and as applicable at the time of contract conclusion. The delivery address of each Individual Entity is set forth in the **Exhibit** to these Terms. The current version of said exhibit has been published online [Purchasing portal – GMH Gruppe \(gmh-gruppe.de\)](https://www.gmh-gruppe.de).
- 3.2 On the day of shipment, a delivery advice notice unique to each shipment shall be sent in duplicate to the Individual Entity under separate cover. The advice notices, waybills, and parcel labels must specify the order number, request number, recipient department, and other information requested in the order. The goods to be delivered must be properly packaged and identified in accordance with the shipping policies of each Individual Entity. The delivery notice does not replace the issuance of a proper invoice.
- 3.3 The supplier shall have the right to make premature deliveries only after it has received the prior written consent of the Individual Entity. The supplier shall be required to notify, without undue delay via telefax or email, the Individual Entity of any known or anticipated delay in performance of its supply obligations and, as part of that notification, to include the following information:
  - a) the anticipated duration of the delay,
  - b) the cause of the delay, and
  - c) which measures shall be or have been taken to remedy the delay.
- 3.4 Should the supplier not render performance or not render performance within the stipulated delivery period or should the supplier default, then our rights – including, but not limited to, our right to withdraw or to claim damages – shall be determined in keeping with applicable law. The foregoing shall be without prejudice to the terms set forth in Section 3.5.
- 3.5 Should the supplier be in default, then we can demand liquidated damages of 0.2% for each calendar day of default, but for a total not to exceed 5.0% of the relevant order's (plus statutory VAT) net value. Such shall be without prejudice to further rights and claims including, but not limited to, damages. However, liquidated damages shall be credited toward claims for

damages. There shall exist no obligation to pay liquidated damages if and to the extent that the supplier evidences that it is not responsible for nondelivery within the stipulated delivery periods.

- 3.6 Within reason, Individual Entities can demand from suppliers that contract products be modified. Any impacts, especially any additional or lower costs, caused by such modifications must, where applicable, be reported to the Individual Entity without undue delay of assessment. Following said report, amicable price negotiations shall be conducted. Should the supplier fail to respond within a reasonable period of time subsequent to the demand for modification, then the prices and delivery dates previously stipulated shall remain applicable.

#### **4. Compliance with the provisions of applicable law and collective agreements, indemnification**

- 4.1 The supplier shall carry out and bear personal, entrepreneurial responsibility for the tasks affiliated with the manufacturing of the work delegated to it and shall comply with any and all pertinent, valid provisions of law, statute, regulation, collective and works council agreements, other contracts.
- 4.2 The supplier shall permit the labor force, which it engages, to work only as is permitted under applicable labor law. The individual hours worked by the entire labor force must be evidenced to us upon request.
- 4.3 The supplier warrants that the entire labor force employed by it receives a minimum wage in accordance not only with the provisions set forth § 1, § 2, and § 20 of the *Mindestlohngesetz* (the Minimum Wage Act), but also with any other provisions of law and collective agreements, for the compliance with which we are liable under § 14 of the *Arbeitnehmerentsendegesetz* (the Posted Workers Act) and/or other comparable provisions (collectively, the "Minimum Wage Requirements"). Once per year and upon request, the supplier shall be required to provide to us an auditor's confirmation showing, and thereby evidencing, that its labor force has received minimum wages, as prescribed by the Minimum Wage Requirements. During this contractual relationship, the supplier shall also, upon request, provide monthly, anonymized payroll documents for the labor force employed by it and thereby evidence that minimum wages have been paid in accordance with the Minimum Wage Requirements. The supplier shall indemnify us against any and all claims asserted against us in the event that the supplier violates the Minimum Wage Requirements.
- 4.4 In due time prior to its engagement, the supplier shall carry out a safety briefing for the labor force engaged by it and evidence to us, in writing and without undue delay, that said briefing has been carried out.

#### **5. Subcontractors**

- 5.1 The supplier can engage subcontractors only with our prior written consent.
- 5.2 The supplier shall be responsible for its subcontractors. In particular, it shall be liable to us for any and all damage caused by the subcontractors, the suppliers, or the manufacturers of the parts used by the supplier, as if that damage had been caused by a fault (*Verschulden*) of its own.
- 5.3 The supplier shall be required to ensure that subcontractors (i) become contractually obligated to comply with the Minimum Wage Requirements (including, as applicable, § 2 of the *Tarifvertrags Stahl über den Einsatz von Werkverträgen* (the steel collective agreement governing the use of work-for-hire contracts) dated 8 July 2014) and (ii) incorporate the obligation to comply with the Minimum Wage Requirements (including, as applicable, § 2 of the *Tarifvertrags Stahl über den Einsatz von Werkverträgen* (the steel collective agreement governing the use of work-for-hire contracts) dated 8 July 2014) into any contractual relationship they form with any downstream contractors. The supplier shall indemnify us against any and all claims asserted against us because a subcontractor has violated the Minimum Wage Requirements. The foregoing shall apply even if the principal's liability is engendered by further subcontracting or contracting of hirers.
- 5.4 The Supplier undertakes to comply with the requirements of the GMH Gruppe from its Supplier Code of Conduct in the respective current version (available at [Purchasing portal – GMH Gruppe \(gmh-gruppe.de\)](https://www.gmh-gruppe.de)) and to contractually oblige its subcontractors to comply with these requirements. Furthermore, the supplier shall be required (i) to give due consideration to any requirements provided by any Individual Entity and its customers as regards transparency, anticorruption, sustainability, human rights, and compliance matters and (ii) to obligate sub-suppliers commensurate with customer specifications of the Individual Entity and its customers.

#### **6. Prices**

Stipulated prices shall be net prices in Euro plus statutory VAT, including packaging delivered to named place, unless another stipulation has been reached. Prices stipulated in orders shall be binding.

#### **7. Terms of payment**

- 7.1 The Supplier shall be obligated to prepare and send to the respective invoice recipient a proper invoice for each order as well as other granting of an economically consumable benefit, stating the order/item number and the delivery quantities and in accordance with the applicable statutory provisions. Invoices which are prepared and received without order numbers and not in accordance with the valid statutory provisions shall be deemed not to have been issued. At the request of the invoice recipient, invoices that have not been properly issued shall be corrected. If the invoice recipient has suffered damage due to invoices that have not been properly issued, the invoice recipient or a correspondingly authorized third party shall be entitled to charge the Seller for the costs and expenses incurred in connection therewith (plus statutory VAT) and to demand compensation. This shall also apply to settlements made by way of credit notes.
- 7.2 Settlement by way of credit note pursuant to § 14 (2) UStG is hereby agreed in principle and shall be deemed agreed upon issuance of such document, unless the specific credit note is objected to in writing within 14 days of receipt.
- 7.3 Unless otherwise stipulated, all payments shall be rendered by us either within fourteen (14) days with a 3% discount of the delivery of the goods and of receipt of a proper invoice or within thirty (30) days of the delivery of the goods and of receipt of a proper invoice.
- 7.4 Settling invoices shall neither entail the forfeiture of warranty rights concerning delivered goods nor preclude any notice of noncompliance at some later date concerning those goods.
- 7.5 We shall be entitled both to setoff and retention rights and to the nonperformance-of-contract defense to the extent prescribed by applicable law. In particular, we shall have the right to withhold due payments for as long as we are entitled to claims against the supplier arising from incomplete or noncompliant performances.
- 7.6 Extending beyond the foregoing, we shall have the right, until such time as bankruptcy proceedings regarding the supplier's



assets have been instituted, to set off the totality of the claims we are entitled to vis-à-vis the supplier against the totality of claims the supplier is – for whatever reason – entitled to vis-à-vis any of the entities specified at the outset hereof or Georgsmarienhütte Holding GmbH.

- 7.7 The supplier shall have a setoff or retention right only if said right is based on counterclaims that are undisputed or have been determined with finality.
- 7.8 If there are subsequent changes to the basis of assessment pursuant to § 17 UStG, the entrepreneur must provide the recipient of the service with a document that clearly and easily verifies the delivery or service to which the change relates and the amount of the change (net amount plus statutory VAT).

## **8. Ownership**

We shall not acknowledge any expanded or extended reservations of title. A simple reservation of title shall be acknowledged by us only to the extent that said reservation permits us to dispose of, to process, or to commingle the delivered goods as part of our ordinary business operations.

## **9. Nondisclosure**

- 9.1 The Individual Entity and the supplier shall be required to treat as business secrets of the respective other party any and all information, knowledge, data and documents, know-how, calculations, procedures, and processes of which they become aware on account of any business relationships. In addition, they shall obligate their employees in writing to nondisclosure requirements commensurate with those set forth herein and shall take any other measures as may be reasonable to ensure said nondisclosure. The same shall apply regarding auxiliary agents, component suppliers, and outside service providers.
- 9.2 Technical documentation (drawings, models, samples, and items of a similar nature) may not be bailed or rendered accessible to unauthorized third parties. The reproduction of such items must be documented appropriately and shall be permitted only as is required by operations and in observance of the provisions of applicable copyright law. Once the contractual relationships have ended, all documents specified either in this provision or in any nondisclosure agreements extending beyond this provision must be surrendered or, should the authorized party so request, destroyed.
- 9.3 The parties to the contract may engage in promotional efforts using their business relationship based only on the prior written consent of the respective other party to the contract.
- 9.4 The supplier shall be prohibited from imitating or exploiting, either itself or through third parties, information of any Individual Entity outside the contractual purpose and from registering industrial property rights in any information received. In this connection, so-called “reverse engineering” both of materials supplied and of tools of an Individual Entity is especially prohibited.
- 9.5 Apart from the foregoing, the requirements set forth in the *Geschäftsgeheimnisgesetz* (Business Secrets Act) and the stipulations set forth in the nondisclosure agreements shall apply.

## **10. Quality/documentation**

- 10.1 Both the quality of goods and the rendering of services must comply with the affirmed features, specifications, drawings, and technical requirements which have been stipulated between the parties. Moreover, delivered goods must be fit for their intended purpose.
- 10.2 Goods and services must satisfy all applicable statutory and regulatory requirements.
- 10.3 At the time of shipment, the supplier shall be required to inspect and to document the goods and services regarding whether they are compliant.
- 10.4 The supplier shall have (i) to maintain a quality management system certified under DIN EN ISO 9001 or IATF 16949 as well as DIN EN ISO 14001, as those standards may be changed from time to time, and (ii) to evidence such absent any solicitation, as well as (iii) to give, without undue delay, written notice of any (foreseeable) change. Moreover, the quality assurance agreement (QAA) stipulated between the parties shall apply.
- 10.5 Each Individual Entity and its customers shall have the right to audit the management systems of the supplier with advance notice of two work days (Monday through Friday). With due consideration for the responsibility the Individual Entity has toward its customers and in order to comply with any and all provisions of law, the supplier must give to and secure for the Individual Entity access to all relevant records, manufacturing equipment, processes, and procedures, such that said right to audit can be exercised regarding sub-suppliers as well. During an audit, restrictions based on the supplier’s business secrets or extant nondisclosure duties shall be given due consideration.
- 10.6 The supplier shall have to retain – in compliance with VDA Volume 01 (“Doc.Info and Retention”), as such may be revised from time to time – quality-related records and documents (such as documents regarding production times, production batches, final goods inspection/goods issue inspection, and for the trackability) as well as any and all drawings and documents as may be relevant to safety and development matters. In this context, quality-related records and documents shall be subject to a mandatory minimum retention period of fifteen (15) years, commencing as of the date of their preparation.

## **11. Warranty**

- 11.1 The supplier warrants that any goods delivered shall comply with the stipulated specifications set forth in the order; shall be fit for purpose; shall be comprised of the stipulated material; shall be commensurate with the state of the art and science, free and clear of defects in material, manufacture, or construction; shall be free and clear of any nonconformities which frustrate or diminish their fitness for the prescribed or contractually stipulated purpose or frustrate or diminish the value of the goods delivered; and shall comply with applicable statutory and regulatory approvals.
- 11.2 We reserve all contractual and statutory rights in the event of delivery of noncompliant goods. The supplier shall have, at our option, to remedy the noncompliance of any goods delivered or to deliver compliant goods.
- 11.3 We shall have the right, without having to set any further deadline, to have the contract products sorted at the expense of the supplier or either
- to remedy the noncompliance ourselves,
  - to have such remedied by third parties, or
  - to return any defective contract product and to demand the immediate replacement thereof or to procure, ourselves, a stand-alone replacement thereof

in the event (i) that the supplier does not comply with our request for subsequent performance by the deadline set by us; (ii) provided that – given the urgency of any given matter including, without limitation, because we must avert acute threats and avoid considerable damage (such as looming delays in delivery regarding our customers) – the prosecution of subsequent performance claims does not reasonably allow us to grant the supplier the opportunity to remedy a defect or to replace the defective contract product; and (iii) if the supplier is not in a position to render subsequent performance or delivery.

- 11.4 The goods receiving inspection by the Individual Entity shall be limited to an inspection whether the correct goods in the correct quantities have been received as well as to an inspection whether the goods were damaged in transport, as may be externally discernable. Defects identified during said inspections shall be reported, without undue delay, to the supplier by the Individual Entity; nonconformities not identified during the goods receiving inspection (“hidden nonconformities”) shall be reported to the supplier by the Individual Entity without undue delay of their discovery given the particularities of the remainder of the manufacturing and distribution process. The nonconformity report shall be deemed to have been without undue delay and in due time, if that report is received by the supplier within a time period equal to ten (10) work days (Monday through Friday).
- 11.5 The supplier shall bear any and all costs (plus statutory VAT) incurred by us due to noncompliant goods. The actual complaint costs incurred shall be indicated and invoiced. The costs expended for the purpose of inspection and subsequent performance (including any assembly and disassembly costs) shall be borne by the supplier even if it turns out that the noncompliance did, in point of fact, not exist. Such shall be without prejudice to our liability for damage in the event that we demand, absent any justification therefor, that a noncompliance be remedied; as such, however, we shall be liable only if we have determined or, in grossly negligent fashion, did not determine that the noncompliance did not exist. In addition, the internal complaint processing will be charged with a lump sum amounting to 300€.
- 11.6 The warranty period shall be sixty (60) months, commencing as of the delivery of the goods or, insofar as acceptance is required, as of acceptance of the goods.
- 11.7 Insofar as an Individual Entity has entered into customary warranty agreements with its customers, the supplier shall have to bear any costs and damage engendered by the portion of the delivery share by it, which costs and damage shall be calculated with any customer affected, as such is prescribed by the warranty agreement. To the extent possible: in the event a customer seeks redress, the Individual Entity shall advise and involve the supplier of the findings and process to move forward (for instance, by submitting test components).

## **12. Liability and insurance**

- 12.1 The supplier shall, upon first demand, not only have to indemnify us and our customers against, but also to hold us and our customers harmless regarding all costs, damage, liabilities, and other expenses which occur due to personal injury, property damage, or cases of death and are imputable to defective goods, a breach of duty by the supplier, or the supplier’s disregard for applicable law and rules and regulations.
- 12.2 Should a recall/take-back action be conducted by us, one of our customers, or any third party, which action is based on any defective contract product of the supplier, then the supplier shall have to bear any costs (plus statutory VAT) incurred on account thereof and to indemnify us accordingly. Such shall also apply to service or field campaigns. Insofar as possible, we shall inform the supplier in good time, give it the opportunity to assist, and commence talks with it regarding how such can be conducted effectively.
- 12.3 The supplier shall be required to assure a reasonable level of insurance coverage in view of its obligations. It shall have to assure to us at least for the duration of the contractual relationships that it maintains the following (global) minimum level of insurance coverage:
- business liability and expanded product liability insurance with minimum coverage, per calendar year and damage event, equal to the amount of ten (10) million Euro, all-inclusive for property damage and personal injury
  - automobile recall costs coverage insurance with minimum coverage, per calendar year and damage event, equal to the amount of twenty (20) million Euro (applies only to suppliers of the automobile industry).
- 12.4 The supplier shall be required to evidence, without being asked to do so, the existence of said insurance policies (business liability, expanded product liability, and automobile recall costs insurance). The supplier shall have to report to us, in writing, any material changes in the relationships contemplated by those insurance policies including, but not limited to, any forfeiture of or reduction in insurance coverage. The nonexistence and forfeiture of insurance coverage shall give us justification to terminate for cause and/or to withdraw from the contract and individual orders.

## **13. Force majeure**

- 13.1 Force majeure including, but not limited to, natural disasters, water entry, fire, unrest, war, pandemics, strikes, and other unforeseeable and severe events unable to be averted by a party to the contract (such as production stoppages of a non-temporary nature at customers of ours) shall release the parties to the contract from its duties to perform for the duration of the disturbance and to an extent commensurate with the effects thereof. The parties to the contract shall inform each other without undue delay whenever it is foreseeable that any contractual duties to perform cannot be discharged as a consequence of force majeure.
- 13.2 The parties to the contract shall be required, within reason, to do everything they can to remedy, and to mitigate the effects of, the disturbance.
- 13.3 We shall have the right, for the duration of any delay on the side of the supplier, to procure from another source or to have manufactured the contract products and to reduce, absent any obligation vis-à-vis the supplier, the delivery amounts by the amounts so sourced or manufactured.

## **14. (Third-party) intellectual property rights**

- 14.1 The term ‘intellectual property rights’ within the meaning of these Terms shall mean any and all statutory intellectual property rights such as trademarks, designs, patents, and copyrights. The term ‘know-how’ shall mean knowledge specific to products and manufacturing as acquired by each holder thereof. Background intellectual property rights and background know-how shall mean intellectual property rights and know-how already possessed by us and the supplier before we contracted with the supplier. Foreground intellectual property rights and foreground know-how shall mean intellectual property rights and know-how which we, third parties, or the supplier have created after we have contracted with the supplier.
- 14.2 The respective authorized holder shall retain title in its background intellectual property rights and background know-how, and the use of said rights and know-how shall be granted to the respective other party to the extent that, and for as long as, is required to fill the order or to use the products as contemplated by the contract.



- 14.3 As a matter of principle, we shall be entitled to the entirety of foreground intellectual property rights and foreground know-how. Should a transfer thereof not be possible (for instance, copyrights), we shall be issued a gratuitous, irrevocable, perpetual, exclusive license, unlimited as to place or content, which license shall be transferable and sublicensable.
- 14.4 The supplier shall offer to us, without undue delay, the transfer of any protectable inventions made by the supplier's employees in connection with the rendering of any development services.
- 14.5 The supplier shall support us in the registration of foreground intellectual property rights. Otherwise, the supplier shall refrain from doing anything that could be detrimental to the effectuating and maintaining of foreground intellectual property rights.
- 14.6 Where the supplier is contracted and receives the authorization affiliated therewith to use (confidential) know-how and other intellectual property or trademark rights of the party who placed the order, the supplier shall not receive any rights of its own therein. We alone shall be entitled to any and all rights. The supplier shall not be authorized to use such rights for any purpose other than, exclusively, for the discharging of the supply duties it has toward us. It shall preserve said rights as business secrets of the Individual Entity.
- 14.7 The supplier warrants that, on account of the deliveries and services to be rendered by it as well as the use and distribution of the goods delivered, neither intellectual property rights (patents, trademarks, design and utility patents), licensing and copyrights, protected names, nor other third-party intellectual property shall be infringed by us.
- 14.8 The supplier shall indemnify us against all claims and costs, including the costs of legal prosecution, as may accrue from any such infringement or claimed infringement, and shall compensate us for all damage incurred on account thereof (plus statutory VAT), unless fault (*Verschulden*) is not imputable to the supplier

## 15. Provisions of law and governmental rules and regulations

- 15.1 The supplier shall assure that all products, services, other performances, and processes comply with the requirements imposed by the applicable governmental rules and regulations and the applicable law of the country of import, the country of export, and the country of destination specified by the end customer. In particular, it shall apply that deliveries and performances within and to Germany shall comply, at all times and notwithstanding the foregoing terms, with the applicable governmental rules and regulations and the applicable law of the Federal Republic of Germany and of the European Union.
- 15.2 The Supplier undertakes to ensure that the goods (including raw materials, (production) materials, (subcontracted) products or other items required and/or used to fulfil the obligations) and/or services (including the transport and delivery process) it supplies are not subject to any restrictions under foreign trade or economic, financial or other sanctions imposed by the United Nations, the EU, the Federal Republic of Germany, or the United States of America. In this respect, the Supplier undertakes to comply with the sanction regulations irrespective of whether they apply to them.
- 15.3 In the event that the funds and economic resources of the Supplier are or will be frozen at the scheduled time of delivery due to sanction regulations of the United Nations, the European Union, the Federal Republic of Germany, or the United States of America and/or there is a ban on making funds or economic resources available to or benefiting the Supplier directly or indirectly at the scheduled time of delivery due to sanction regulations of the United Nations, the European Union, the Federal Republic of Germany or the United States of America, the Individual Company shall be released from its acceptance obligation and the obligation to provide consideration. The Supplier shall not be entitled to claim damages. In this case, however, the Supplier shall be obliged to repay to the Individual Company any advance payments made by the latter prior to delivery.
- 15.4 The provisions of Sections 15.2 and 15.3 shall not apply if compliance with the sanctions of the United States of America violates Regulation (EEC) 2271/96 as amended and a corresponding obligation would constitute a violation of Section 7 of the Foreign Trade and Payments Ordinance.
- 15.5 In the event that the Individual Company has doubts as to whether the Supplier is acting or intends to act in accordance with this obligation, the Individual Company shall be entitled to request the Supplier to provide appropriate evidence (e.g., permits, certificates of origin, etc.) that the goods and/or services comply with Section 15.1. If, in such a case, the Supplier is unable to provide evidence or is unable to do so in good time, the Individual Company shall be entitled to postpone acceptance and the consideration until such time as appropriate evidence is provided. If the Supplier fails to provide such evidence or fails to provide such evidence within a reasonable period of time determined by the Individual Company in each individual case, the Individual Company shall be entitled to terminate the contract for cause.
- 15.6 The provisions of Section 15 constitute a material contractual obligation. In the event of serious or persistent violations, the Individual Company shall have the right to terminate existing contractual and/or supply relationships; the Supplier shall not be entitled to assert any claims for damages against the Individual Company in such cases.

## 16. Binding principles

- 16.1 Regardless of countries and borders, the requirements set out in detail in the Supplier Code of Conduct of the GMH Gruppe in its current version (available under [Compliance – GMH Gruppe \(gmh-gruppe.de\)](https://www.gmh-gruppe.de)) apply to all contractual relationships with the Supplier (including but not limited to human rights, labour standards, environmental protection and Compliance). The Supplier shall contractually obligate respective third parties, which he uses to fulfil its obligations towards the GMH Gruppe (e.g. subcontractors and suppliers), to comply with these requirements or - if this is not enforceable - to adequately address the requirements with these third parties.
- 16.2 In order to comply with the requirements of the Supplier Code of Conduct of the GMH Gruppe, the Supplier undertakes to participate in training courses and further education as required and, if necessary, to ensure participation within its supply chain.
- 16.3 The Supplier undertakes to permanently establish appropriate control mechanisms in its company at its own expense for the verification of compliance with the requirements of the Supplier Code of Conduct of the GMH Gruppe and to disclose these to the GMH Gruppe upon request. The Supplier's control mechanisms shall also enable verification at its suppliers. If the GMH Gruppe has justified doubts about the adequacy of the supplier's established control mechanisms, the supplier shall implement the supplementary measures recommended by the GMH Gruppe to comply with the human rights and environmental requirements.
- 16.4 The GMH Gruppe is entitled to execute on-site inspections and audits at the Supplier's premises in order to be able to determine, if necessary, the compliance of the Supplier and its suppliers with the requirements laid down in the Supplier Code of Conduct of the GMH Gruppe. In doing so, the GMH Gruppe will take into account the supplier's interests worthy of protection, and in particular observe its trade and business secrets.
- 16.5 If a violation of a requirement from the Supplier Code of Conduct of the GMH Gruppe is imminent, the Supplier must take appropriate measures to prevent the violation. If such a violation has already occurred, it must be ended in the foreseeable future. If such a violation cannot be terminated in the foreseeable future, the Supplier must draw up and implement a concept



to terminate or minimise the violation that has occurred, together with a concrete timetable. The Supplier is obliged in each case to inform the GMH Gruppe about the measures planned and taken and, if necessary, to expand its measures to include recommendations of the GMH Gruppe.

- 16.6 Item 16.5 applies accordingly if a violation of a requirement from the Supplier Code of Conduct of the GMH Gruppe is imminent or occurs in the Supplier's supply chain. At that time, the Supplier shall influence the perpetrator in its supply chain immediately to end the violation or at least significantly minimise the effects of this violation. The Supplier shall inform the GMH Gruppe of all measures taken.
- 16.7 The GMH Gruppe reserves the right to terminate the business relationship with the Supplier (e.g. by way of termination or rescission for good cause) in the event that the violation of a requirement under the Supplier Code of Conduct of the GMH Gruppe is serious, the Supplier's concept for termination or minimisation is not implemented or its implementation does not provide a timely remedy and other milder means are not available.

**17. Data protection and information security**

The current version of our [Data Protection Declaration](#) and our [guideline on information security](#) must be given due consideration on the side of the supplier.

**18. Place of performance, applicable law, venue, miscellaneous**

- 18.1 Should any of the provisions set forth in these Terms or any other agreements reached between the parties be or become invalid, then such shall be without prejudice to the validity of the remainder of these Terms/the contract. The parties hereto shall be required to replace any such invalid provision with terms that most closely approximate that provision both in pecuniary and in legal terms.
- 18.2 Amendments to and restatements of these Terms as well as of individual contracts shall be valid only if they have been made in writing. The same shall apply in equal measure to this signed writing requirement.
- 18.3 The place of performance for all performances shall be derived, for each Individual Entity, from the **Exhibit** to these Terms.
- 18.4 This contract shall be governed by the law of the Federal Republic of Germany, but exclusively by the law of the Republic of Austria as regards Stahl Judenburg GmbH and VTK Veredelungstechnik Krieglach GmbH, in each instance to the preclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG). This does not change the applicability of item 15. The commercial terms contained in this contract are to be construed in accordance with Incoterms (ICC International Rules for the Interpretation of Trade Terms), as they may be amended from time to time and as applicable at the time of contract conclusion.
- 18.5 The courts in the city in which the Individual Entity has its registered office shall have exclusive jurisdiction over any and all disputes arising from or in connection with this contract. Notwithstanding this venue stipulation clause, we can also bring an action against the supplier before any other court with proper jurisdiction under applicable law.