

# GENERAL PURCHASING CONDITIONS HOEGANAES CORPORATION EUROPE S.A.

## DEFINITIONS AND INTRODUCTION

“We”, “us” and “our” refers to the applicable seller among Hoeganaes Corporation, GKN SPECIALTY PRODUCTS EUROPE SRL or other members of the "Group".

“Group” means DAUCH Corporation and all direct or indirect subsidiaries of the Hoeganaes Corporation Europe S.A. Our agreement with you (the “Contract”) consists of: (i) any duly signed contract which applies to purchase of goods and/or services provided by you; (ii) any purchase order or delivery schedule order (an “Order”) that you issue to us; (iii) these General Purchasing Conditions; (iv) any specifications and safety, health and environmental requirements that we agree with you; (v) any supplementary terms and conditions of sale that we agree with you; and (vi) our quality and other requirements or procedures which can be found at <https://www.....com/> , or are otherwise made available to you. If there is any inconsistency between any parts of the Contract, the parts placed higher in the list will prevail.

### 1. CONDITIONS EXCLUDED

If you seek to impose additional or different terms on our purchase, they will not form part of the Contract and are excluded and rejected by these General Purchasing Conditions.

### 2. DELIVERY

Time is of the essence. You must deliver goods and/or services that we order in accordance with the delivery terms and dates set out in the Contract. If any goods and/or services are not delivered on time or are delivered incorrectly, we may terminate the relevant Order.

Goods must be delivered DDP (as defined in current Incoterms), or as otherwise specified in the Contract. Ownership of the goods you deliver will transfer to us on delivery.

All goods must be packaged so as to protect them adequately before, during and after delivery and, if we require, each delivery shall be accompanied, in a form acceptable to us, by a certificate of conformity and/or an up-to-date material safety data sheet. Delay or failure in performance may be excusable only for natural disasters, governmental restrictions, war or civil unrest, and only to the extent they are unforeseeable, the delay is beyond your reasonable control, and you give us prompt written detailed notice.

### 3. QUALITY, REJECTION AND INDEMNITY

Any goods supplied by you must be: (i) of the quantity and description specified in the Contract; (ii) of satisfactory quality (which may be defined on HCE’s Supplier Portal and/or in our customers’ quality requirements); (iii) fit for their normal purpose and any specific purpose we inform you about or which you ought reasonably be aware; (iv) free from defects in design, material and workmanship; and (v) free from any encumbrances.

Any services supplied by you must be: (i) performed efficiently, safely and competently by suitably qualified and experienced personnel, in conformity with any applicable industry code of practice; and (ii) of the quality which would reasonably be expected from a skilled and experienced operator providing equivalent services in the same circumstances.

Any goods or services (and any associated technology) supplied by you must:

(i) comply with all applicable legal requirements and regulations, including those relating to transportation, health, safety and the environment; (ii) not infringe the intellectual property rights of any third party; (iii) conform to any specification or other requirements referred to in the Contract; and (iv) conform to any sample approved by us.

We may (but are not obliged to) inspect and test the goods delivered by you and may reject and return (at your risk and expense) any goods that fail to conform with the terms of the Contract. You must replace such rejected goods within a reasonable time (being not more than 15 days after notice of rejection) with goods which do comply with the Contract.

You will reimburse, indemnify and (upon request) defend each member of the Group for all losses, damages, costs and expenses (including reasonable legal fees) or other claims (including third party claims and costs relating to recalls and service measures implemented by our customers or their customers) arising from or incurred as a result of:

(i) any breach by you of the Contract; and  
(ii) any negligent act or omission by you or your employees, agents or sub-contractors in supplying goods and/or services pursuant to the Contract.

#### **4. INVOICING AND PAYMENT**

We will pay you the price set out in the Contract (which stated price includes delivery costs and any sales tax) for the goods and services that you deliver in accordance with the Contract. You may only invoice us after delivery of the goods and/or services ordered by us and in accordance with any payment schedule in the Contract.

Invoices must show: the date of delivery, Order number, delivery address and description of goods/and or services delivered, and must be sent to the invoice address specified in the relevant Order.

Unless otherwise set out in the Order, payment will be due from us within 90 days of the Thursday following the end of the month of receipt by us of a validly issued invoice which must be registered in the ro-efactura platform. In the event that the invoice is not registered in the e-factura, we are entitled not to make the payment according to the Romanian Fiscal Code. We may deduct from the price of the goods and/or services ordered by us any sums due to the Group under the Contract or any other contract between you and the Group.

#### **5. CONFIDENTIALITY AND INTELLECTUAL PROPERTY**

You must not disclose to any other person or entity any confidential information belonging to the Group or any of its divisions, customers or suppliers or collaboration partners (including, without limitation, this Contract, specifications, formulae, manufacturing processes, know-how and any technical or economic information) or use such information for any purpose except for the supply of goods and/or services to us or as expressly authorised in writing by us. You must return to us such information and any copies if requested.

You must, on request, transfer to us, free of charge and free from encumbrances, any documents, specifications, plans, drawings, samples, information or goods created or prepared during performance by you or your employees, subcontractors and consultants, which we may use without any charge.

Intellectual property rights in any information, documentation, prototypes or tooling provided by us to you shall remain owned by us or our customers or our suppliers and shall only be used for the sole purpose of supplying goods and/or services to us. If any intellectual property rights are created or generated from

such information, documentation, prototypes or tooling or in performing the Contract then such rights shall be owned by us.

#### **6. OUR PROPERTY**

6.1 This section relates to all property (including tooling of any kind) and any related information, documentation and intellectual property rights therein: (i) purchased by us and/or manufactured by you pursuant to an Order;(ii) provided by us to you for use in the supply of goods and/or services or for any other purpose, whether or not modified, repaired or replaced (“Our Property”).

6.2 As between you and us, Our Property (and any scrap resulting from it) is solely owned by us and we shall keep title to it at all times. If we disagree as to who owns any of Our Property, the presumption will be that we do.

6.3 Where you are in possession or control of Our Property it is on a fiduciary basis as our bailee and you have no rights in it. You have a revocable non-exclusive license to use Our Property at your premises only for performing the Contract until we request its return, which we may do at any time. You may not sub- license the use of Our Property or use it for any other purpose.

6.4 Risk in Our Property passes to you on delivery and remains with you until it is returned to us. While Our Property is in your possession or control you shall: (i) be responsible for any loss or damage to it (other than fair wear and tear);

(ii) store and use it at your premises in a proper and secure manner;

(iii) clearly label or identify it as belonging to us;

(iv) maintain insurance against all loss or damage;

(v) use it with care;

(vi) inspect it and maintain it in good order and condition;

(vii) immediately notify us if it is lost, damaged or seized;

(viii) not modify or tamper with it, or attach it to anything, or anything to it;

(ix) not part with possession of it or allow anyone else to use it

(x) not sell, dispose or encumber it;

(xi) give us free and unrestricted access to it on reasonable notice during ordinary business hours;

(xii) make it available for collection by us at any time and allow us access to your premises to remove it;

and

(xiii) not copy or reproduce it in any way.

6.5 We have an exclusive, irrevocable option to purchase all bespoke tooling owned by you and put in place specifically for the production of goods pursuant to the Contract at its present value.

## **7. TERMINATION**

7.1 We may cancel all or any part of any Order or terminate the Contract by giving you notice at any time prior to your full performance of the Order or Contract and in such event we will not be liable to pay the price for such goods or services.

7.2 We may terminate the Contract: (i) immediately if you or your parent company become subject to a bankruptcy or insolvency event or enter into a composition with any of your creditors; or (ii) if you breach the Contract, and, if the breach can be remedied, you fail to remedy such breach within 10 days of receiving notice of the breach.

7.3 Termination of all or part of an Order or the Contract will not prejudice accrued rights. You will be liable for all damages arising from any breach.

7.4 You may be required to continue to supply spare parts and related services up to 15 years after termination or expiry of the Contract.

## **8. GENERAL**

8.1 We have the right to visit your premises on reasonable notice to audit and ensure compliance.

8.2 You and your subcontractors shall abide by the requirements of Ordinance 137/2000 on the prevention and sanctioning of all forms of discrimination. These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, national origin, protected veteran status or disability.

8.3 You and your subcontractors shall abide by the Hoeganaes's Policy against bribery and corruption.

Hoeganaes complies with all the applicable laws in the countries where it operates and it is represented in. The Group we are part of is headquartered in Great Britain and has manufacturing sites in Great Britain, and the applicable laws valid in UK applies to all Group activities, at global level.

In Great Britain came into force the law drawn up in order to prevent any bribe offering/receiving and corruption facts, a law similar to the law for External Corruption Practices in force in United States of America, and also in Romania.

This new legislation exposes Hoeganaes to the risk of criminal charge if any of the members of our Group or of your personnel would pay any bribe or would make any facilitation payments. Even if it is a law from Great Britain, the risk of responsibility exists for our company anywhere in the world.

Taking into consideration this possible responsibility, we kindly ask to everybody that does business with Hoeganaes, to comply with the strict ethical standards with refer to bribe and corruption as they was adopted by our employees.

Hoeganaes expectations of conformity required to all our business partners, are as below:

You and your subcontractors shall conform to all applicable laws and regulation against bribe, corruption and money laundry.

You and your subcontractors shall not make, offer, promise or authorize any inappropriate payments (either cash or in any other way, including supplying any services, gifts or relaxation actions) to any person in the private or public sector.

You and your subcontractors shall not influence or try to determine any public official to do anything illegal;

You and your subcontractors shall not make any facilitation or payments earlier than the due date, even if the payments are not significant in value. Through facilitation payment it is understood any payment to the government officials (public clerks) in order to ensure or speed up the routine governmental actions such as permit or authorisation issuing or clearance for the goods retained in customs.

You and your subcontractors shall not offer/ receive money (or any valuable things) as part of an inappropriate or illegal procedure to keep or get business, including bribe or commissions.

You and your subcontractors shall make the payments according to the concluded contracts, to keep their exact and correct records so that the company funds will not be used in any illegal purposes.

You and your subcontractors shall not do anything in order to determine or facilitate any person to break any of those principles or to allow any agent, representative or contractor or subcontractor to do that.

You and your subcontractors shall include in there business integrity policy the ethical principles and inform their managers, employees, agents, contractors or public officials about them.

8.4 You must provide us with any information we request relating to the goods and services supplied by you, all of which must be complete and accurate.

8.5 You and your employees, agents and sub-contractors must abide by applicable site and safety rules when on our property and you shall provide evidence of your applicable insurance and name us as additional insured.

8.6 Our rights or remedies under the Contract will not limit any of our other rights or remedies, whether under the Contract or otherwise.

8.7 You will not be entitled to transfer or subcontract any of your rights or obligations under the Contract without our prior written consent. Each company within our Group shall have the benefit of the Contract and may purchase goods and/or services pursuant to the terms of the Contract.

8.8 Any failure or delay by us to enforce or partially enforce any provision of the Contract will not be a waiver of any of our rights.

## **9. Litigation**

Any litigation that may result from this contract shall be settled amicably and if the parties do not come to an agreement, this will be resolved by the competent Court of Law at the HCE headquarters.

## **10. OTHER CLAUSES**

The present conditions are under the Romanian laws, applicable law in this case.