

Terms and Conditions of Purchase

1. General. Only the terms and conditions of purchase below shall apply for our orders and contracts. Amendments and supplements as well as terms and conditions of sale of a supplier differing from the terms and conditions of purchase below shall only be regarded as having been accepted if they have been confirmed by us in writing as a rider to our terms and conditions of purchase. Taking delivery of goods or services or payment for them shall not constitute our agreement to the supplier's terms and conditions of sale. Only signed contracts or orders placed in writing shall be valid. Verbal agreements shall only subject us to a commitment if they have been confirmed in writing. The orders shall be placed on a fixed-price basis as a matter of principle.

These terms and conditions of purchase shall also apply for all future orders and contractual relationships between the supplier and us.

Our terms and conditions of purchase shall only apply for commercial businesses as defined by § 310 Para 1 of the German Civil Code [BGB].

2. Order confirmation. We reserve the right to withdraw from contracts and orders should we not receive an order confirmation with a legally-binding signature within 14 days.

3. Delivery. Discrepancies from our contracts and orders are only allowed subject to our prior written agreement. Deliveries shall be subject to the delivery dates stated in our orders and call-offs.

If the supplier foresees difficulties in production or procurement of materials, or if circumstances beyond the control of the supplier arise, which could prevent him from supplying goods on time of the prescribed quality, the supplier shall have to inform our purchasing department immediately.

In the event of a late delivery we shall be entitled to demand a contractual penalty amounting to 0.3 % of the net order value for each full day of delay, not, however, to exceed a total of 5 % of the net order value. We shall be entitled to reserve the right to withhold a contractual penalty up to the value of the payment for the goods concerned. Our further claims based on default of delivery by the supplier shall not be affected as a result thereof. The supplier's obligation to pay compensation for damages shall also cover any lump-sum damages and contractual penalties we owe our customers as a result of the late delivery, insofar as they are not unusual, or we have notified the supplier of the lump-sum damages or contractual penalties we have agreed with our customers.

If the agreed delivery dates are not complied with for a reason attributable to the supplier, we shall be entitled, as we choose, to withdraw from the contract, to procure replacements from a third party and/or demand compensation for damages on account of non-fulfilment irrespective of statutory claims to which we may be entitled over and above compensation for damages. The supplier shall have to pay us compensation for all additional costs incurred by us as a result of late deliveries. Should we take delivery of a late delivery of goods or late fulfilment of a service, this shall not constitute a waiver by us of any compensation claims.

If delivery dates are missed repeatedly, we shall also be entitled to withdraw from the contract if the supplier is not responsible for the delay.

It shall be the values worked out by us at our goods inward check which shall be definitive for ascertaining unit quantities, weight and dimensions.

3.1 Packing regulations for raw material (Coils)

External packaging / packing for the coils to be delivered:

- Each coil must be tied 4 times crosswise and once lengthways (i.e. around the outer circumference) with a steel packing strap and locking sleeves.
- When doing so, attention must be paid that not only the beginning, but also the end of the coil must be made secure.
- For material thicknesses up to 1.5 mm the steel packing strap must be 19 mm wide. Material thicknesses in excess of 1.5 mm will require the steel packing strap to be 32 mm wide.
- The coils to be delivered must be supplied laid flat on 60 x 60 mm hardwood spacers. The length of the wooden spacers is to be selected in response to the external diameter of the coil so that each coil is completely supported by a spacer.

4. Termination. Master agreements and individual contracts, which are either open-ended or entered into for a term in excess of three (3) years (long-term contracts), may be terminated by us observing a notice period of three (3) months to the end of a month.

5. Acceptance. Labour disputes, operational disruptions as well as cases of force majeure shall exempt us from our obligation to accept goods, insofar as they result in a reduction of our demand for them.

6. Supply of spare parts. Irrespective of whether a supply contract still exists, the seller shall undertake to supply the buyer or third parties named by the latter with a sufficient quantity of goods or services for the use of spare parts, and, to be more precise, for a period of fifteen (15) years after the seller has stopped supplying goods for serial production by the buyer or for a shorter period of time specified in writing by the buyer. The seller shall have to ensure that his sub-contractor complies with the provisions contained in this number 6.

7. Notification of dispatch and invoice. The statements in our orders and call-offs shall apply. The invoice is to be addressed in duplicate to printed address. It must not be attached to consignments.

8. Pricing and passing on risk. If no specific agreement has been made, prices must be for our works including packing. The risk of accidental loss shall pass over to us when the goods are passed over to us or to our assistants. The costs for cartage shall not be accepted by us.

9. Terms of payment, assignment of accounts, offsetting. Insofar as no specific agreement has been entered into, an invoice is to be settled either within 14 days in order to qualify for a prompt payment discount of 3 %, or otherwise in full within 30 days. The period of time allowed for payment shall start running from the point in time at which not only the invoice, but also the goods have been received by us or services have been rendered. Payment shall be made subject to verification of the invoice. We are only able to process invoices if they – as stated in our order – include the order number shown in the order. The supplier shall be responsible for all consequences arising as a result of his failure to comply with this obligation, insofar as he is unable to prove that he is not responsible for the consequences.

The supplier shall not be entitled, without our written consent, to assign his accounts against us or allow them to be collected by third parties. If an extended reservation of title has been agreed, consent will be regarded as having been granted.

If, contrary to Sentence 1, the supplier assigns his account against us to a third party without our consent, the assignment shall nevertheless still be valid. We may, however, as we choose, only render performance with debt-discharging effect to the supplier or to the third party.

The supplier may only offset with adjudicated or uncontested counter-claims, or counter-claims ready for judgment. Any right of retention or right to refuse performance the supplier may have shall also only exist subject to these restrictions.

We shall be entitled to offsetting rights and rights of retention as provided for by law.

10. Liability for defects. The goods must fulfil the agreed specifications and what has to be assumed by the supplier given that he is aware of the intended use of his products, at least, however, the compulsory statutory requirements and state-of-the-art technology. The point in time at which risk is passed over is crucial for determining that the condition of the goods is in accordance with the contract.

We are obliged to inspect the goods within a reasonable period of time for any quality defects and quantity shortfalls there may be and to notify defects straightaway. A complaint will in all cases have been lodged on time if it is received by the supplier within one week starting from the receipt of goods or in the event of concealed defects, within one week of discovery.

We shall be entitled to the statutory warranty claims in full. In all cases we shall be entitled to request from the supplier as we choose, that the defect be remedied or that a new thing is supplied. We expressly reserve the right to claim compensation for damages, in particular compensation for damages instead of performance.

The supplier shall observe the regulations of the European Union and the Federal Republic of Germany as may from time to time be published, e.g. the REACH regulation (Regulation EG No. 1907/2006), the law on taking back and environmentally compatible disposal of electrical and electronic devices (ElektroG) as the implementation into German law of directive 2011/65/EU (RoHS) and directive 2012/19/EU (WEEE) and the old vehicle act as the implementation into German law of the EU directive 2000/53/EG. The supplier shall inform us straightaway of relevant modifications of the goods, in particular as a result of the REACH regulations, his ability to supply, or changes in quality and in given circumstances co-ordinate suitable measures with us. The same shall apply mutatis mutandis as soon as and insofar as the supplier realises that such changes are imminent.

Claims on account of defects shall lapse:

- when the warranty to which the end customer of the goods or products into which the goods have been installed is entitled, lapses or
- after 36 months from the passing of risk.

The named warranty periods shall apply subject to longer warranty periods as a result of national provisions of those markets to which the goods or products into which the goods have been installed are supplied.

If defective goods are supplied repeatedly, or if performances rendered are repeatedly defective, we shall consequently be entitled to withdraw from the contract, and if we have entered into multiple delivery contracts, we shall be entitled to terminate the contract with immediate effect.

If, as a result of a defective consignment, the entire consignment has to be inspected, that is, an inspection more extensive than what is normal in goods inwards, the supplier shall bear the costs therefor.

In urgent cases we shall be entitled to remedy the identified defects ourselves, or have them remedied by third parties, all at the supplier's expense.

11. Legal defect. The supplier shall ensure that all consignments are unencumbered by third party rights and in particular that no third party patents or other industrial property rights are breached in the country agreed as the place of delivery, in the European Union, Switzerland, Turkey and Great Britain and – insofar as notified by the supplier – in the intended countries of use, by the delivery and use of goods.

Insofar as the supplier is liable by law to the third party, the supplier shall exempt us from any third party claims arising from any potential infringements of industrial property rights and shall bear all the necessary costs incurred in connection thereto.

Claims asserted on account of legal defects shall lapse after the same length of time as for claims asserted for quality defects.

12. Execution of work. Persons carrying out work on site in fulfilment of the contract have to comply with the regulations of the respective factory rules. They must also observe the current regulations governing entry to, and departure from, the factory site.

13. Product liability – exemption – liability insurance cover. Insofar as a defective product from the supplier causes product damage, the supplier shall, given this, be obliged to exempt us at first call from third party compensation claims for damages, as if the cause of the damage were within his sphere of control and organisation and he were himself liable to an external party.

As part of his liability for claims as defined by the paragraph above the supplier shall also be obliged to refund us any expenditures we may incur in accordance with § 683, § 670 BGB as well as § 830, § 840, § 426 BGB, arising from or in connection with a product recall campaign conducted by us. We shall inform the supplier - provided that this is possible and reasonable – of the content and scope of the recall measures to be carried out and allow him an opportunity to make a statement in response. Other legal claims will not be affected.

The supplier shall undertake to maintain a product liability insurance policy with a reasonable level of cover in proportion to the value of the consignment in terms of lump sum cover for each personal injury claim or property damage claim. We shall be entitled to compensation claims for damages over and above this and they shall not be affected by the foregoing.

14. Substances or parts furnished by us. Substances or parts furnished by us to the supplier shall remain our property. They may only be used as intended. Substances shall be processed and parts shall be assembled for us. It is agreed that we shall be co-owners of the products manufactured by using our substances and parts in proportion to the value of what we furnish (purchase price plus VAT) to the value of the thing as a whole. Given this, the supplier shall keep our co-ownership in safekeeping for us.

If the substances or parts furnished by us are indivisibly mixed with other parts not belonging to us, we shall consequently acquire co-ownership to the new thing in proportion to the value of the goods furnished by us (purchase price plus VAT) to the other mixed items at the point in time of mixing. If after mixing, the supplier's thing is to be regarded as the main thing, the supplier shall consequently be obliged to transfer a proportion of co-ownership to us. Our (co-) ownership shall be kept in safe-keeping for us by the supplier free of charge.

If the value of the marketable securities exceeds the purchase price of all our goods subject to reservation of title still not paid for by a total of more than 10%, we shall consequently, at the supplier's request, be obliged to release the appropriate amount of securities of our choice.

15. Specimens, drawings, and production materials. Documents of all types, which we provide to the supplier, such as specimens, drawings, models, and such like are to be sent back to us free of charge without us having to ask for them, as soon as they are no longer needed to carry out the order. We shall reserve the right of ownership and copyright to these documents. They must not be made accessible to third parties. This shall apply in particular if we have designated the documents as being "confidential" or have a manifest interest in them not being disclosed.

The obligation to maintain confidentiality shall come into force from the first receipt of the documents or knowledge of them by the supplier and shall also apply even after the business relationship has ended.

This obligation shall not apply for documents and knowledge which are in the public domain and which the supplier already knew upon receipt, without him being obliged to maintain secrecy, or knowledge developed by the supplier without him having exploited documents to be kept secret or knowledge of the buyer.

The supplier shall transfer ownership to the drawings and descriptions produced to our specifications when payment has been made for them in full.

Products which are produced to documents such as drawings, models and such like drawn up by us or to our confidential specifications or with our tools or with replicas of our tools must not be used by the supplier himself or offered or supplied to third parties. This shall also apply mutatis mutandis to our printing contracts.

Specimens and means of production which the supplier manufactures or procures himself

Insofar as it has been agreed that the manufacturing costs for specimens and means of production (tools, forms and templates etc.) are to be refunded, these costs are to be invoiced separately from the goods to be supplied unless agreed otherwise. This shall also apply for means of production which have to be replaced as a result of wear and tear.

The costs for the maintenance and proper safekeeping as well as the risk of damage or destruction of the means of production shall be borne by the supplier. The supplier shall keep the means of production in safekeeping free of charge.

Customer-related means of production may only be used by the supplier for deliveries to third parties with our prior written consent. They must not be scrapped without our written consent or made accessible to third parties, nor used for purposes other than contractually agreed purposes and are to be kept in safe keeping by the supplier.

16. Proof of origin, proof as required by VAT law, and export restrictions. Proof of origin requested by us is to be provided to us straightaway by the supplier together with all the necessary information and with a proper signature. The supplier shall inform us straightaway in writing and without having to be asked to do so if the information in the proof of origin is no longer correct for the goods supplied.

The same shall apply mutatis mutandis for proof required by VAT law for deliveries from Germany to other countries and for deliveries within the EC.

The supplier shall inform us straightaway if some or all of a consignment is subject to export restrictions under German law or another legal system.

17. Withdrawal or termination in the event of a lack of capacity to render performance. We shall be entitled to withdraw from the contract, or to serve immediate notice of termination on the contract as soon as it can be seen that our right to have the goods supplied is jeopardised by the supplier's lack of capacity to render performance. This shall apply in particular if there is significant deterioration in the supplier's financial status.

18. Compliance. We expect our suppliers to establish the principles of company responsibility, anti-corruption, as well as implement a code of conduct (<http://www.winkemann.de/unternehmen/verhaltenskodex/index.html>) and an ethics-escalation policy in their respective companies. With our sustainability directive for suppliers (<https://www.winkemann.de/agb.html>) which constitute an important and integral component of these terms and conditions of purchase, we are calling upon our suppliers to comply with the compliance, business ethics and sustainability regulations therein and to pass them on accordingly down their supply chains.

19. Quality and energy directive. The quality, environment and energy directives in force which may from time to time be published are likewise an integral component of these terms and conditions of purchase. You can find them at <http://www.winkemann.de/agb.html>.

20. Information security

20.1 The software used or supplied in connection with a supply contract must not include any functions which the

supplier could have identified given the state-of-art technology, and which jeopardise the integrity, confidentiality and availability of the contractually agreed goods (in particular software) other hardware and/or software or data, and in particular functions

- for undesired transmitting/export of data,
- for undesired modification/manipulation of data or flow logic or
- for undesired input of data or undesired function expansions.

“Undesired” is to be understood above as a function, which

- we have not asked for,
- the supplier has not offered with a specific description of function and its effects and
- which we have not accepted in writing in a given instance.

“Data” for the purposes of this Clause 20 is information which is saved or forwarded electronically, magnetically, or otherwise by means not directly identifiable.

20.2 The supplier shall be obliged to secure our data and his own data necessary for the delivery of the goods using state-of-the-art technology against unauthorised access, modification, destruction and other misuse (hereinafter known as information security). In particular, the supplier shall have to keep our data (with the exception of e-mails) strictly separate from the data of other customers and handle it separately as well as take the appropriate protective measures to prevent other customers from gaining access to this data.

20.3 Depending upon the type of the data concerned and the requirement for protection or the significance of the supplier's goods consignments for the business operations of E. WINKEMANN GmbH, we can demand a reasonable level of security measures from the supplier as well as proof stipulated by us that an appropriate level of information security within the supplier's business, in particular by the supplier submitting suitable certificates (e.g. ISO/IEC 27001 “Information technology – IT security procedures – Information security management systems – requirements”) or certification to the VDA model “TISAX“ (Trusted Information Security Assessment Exchange). The parties may agree a reasonable period of time for a site to be certified for the first time to TISAX standards.

20.4 The supplier has to ensure that in connection with the supply contract no software possibly causing damage (e.g. viruses, worms or trojans) is used, e.g. in drivers or company-ware included in a consignment. The supplier shall have to conduct a review of this using state-of-the-art technology and at our request confirm in writing that when conducting this review he did not find any indications of damage-causing software.

20.5 If the supplier becomes aware of an incident constituting a breach of information security, (e.g. security breaches, data losses, system failures, threats, attack by damage-causing software, data misuse) and which could affect us, in particular in the shape of unauthorised third party access to our data (e.g. data leaks, or cyber-attacks), or if the supplier has suspicions, which given the reasonable assessment, substantiate the suspicion of such an incident, the supplier shall have to

- notify us of this straightaway and free of charge, and
- take all necessary steps to clarify the facts and circumstances and limit damage as well as assist us in doing so, and,
- if the information security breach causes an interruption to or delay in the delivery of goods, causes a reduction in operating efficiency, or the loss of data, the supplier shall have to assist us in restoring data, and
- at our request, provide us with a security report for a stipulated period of time under review. Necessary contents of such a report are in particular events such as security reviews, identified information security risks, as well as identified information security incidents and how they are handled as well as,
- enable us upon request to persuade us of compliance with information security and with the agreed data protection and security directives (hereinafter known as “Audits”). The supplier shall have to tolerate audits and to render assistance such as providing information, insofar as this is necessary for an audit. We shall be entitled to have the audits conducted by an external qualified business obliged to observe secrecy to third parties,

provided that it is not a competitor of the supplier. Statutory rights of the supplier to monitor audits and to demand information are hereby neither restricted nor precluded, as long as there is no proof in accordance with Clause 20.3 we may also demand that an audit be conducted in accordance with Clause 20.5 even if there is no incident /suspicion that there is an incident.

20.6 The supplier shall be obliged to notify us prior to the first delivery of a central contact person to ensure availability of information and to inform us of any subsequent changes.

20.7 The supplier shall have to ensure that his sub-contractors are placed under a contractual obligation to him by means of suitable contractual arrangements to comply with the provisions included in this Clause 20.

21. Place of fulfilment. The place of fulfilment shall be that place to which the goods are to be delivered as stated in the order.

22. Place of jurisdiction, applicable law. The place of jurisdiction shall be Plettenberg, Germany. The contract shall be governed by German law.

23. Severability clause. The invalidity, or nullity of individual provisions of these terms and conditions of purchase shall not affect the legal validity of the remaining provisions.

E. WINKEMANN GmbH – April 2022