

## HÖGANÄS GROUP – Purchase Terms and Conditions direct material

1. GENERAL. These terms and conditions (“**Purchase Terms and Conditions**”) are incorporated by reference into the purchase agreement or other agreement entered into for the purchase of goods and/or services (“**Agreement**”) between Höganäs AB (publ) or the company affiliated with Höganäs AB (publ) (“**BUYER**”) (meaning any legal entity, which is directly or indirectly controlling, controlled by or under common control with Höganäs AB (publ) by ownership of more than 50% of the votes or share capital) and the contractual partner (“**SELLER**”). These Purchase Terms and Conditions apply exclusively and SELLER’s conflicting or differing terms and conditions or other terms and conditions or other general business terms and conditions are specifically rejected. Conflicting or differing terms and conditions shall apply only if BUYER has expressly accepted them in writing in each individual case. This provision applies even if goods and/or services (“**goods**”) are accepted by BUYER in awareness of SELLER’s general business terms and conditions. Individual contractual agreements signed by both parties shall always prevail over these Purchase Terms and Conditions.

2. EXTRA CHARGES. Any charges for goods beyond those specifically set forth herein are rejected unless agreed between BUYER and SELLER in writing.

3. DELIVERY. SELLER acknowledges that time is of the essence for the Agreement. SELLER shall give BUYER immediate notice of any anticipated delayed or advanced delivery and the reason therefore. Should SELLER fail to comply with the agreed delivery date or delivery schedule or otherwise breach its obligations hereunder, BUYER may cancel the specific delayed delivery without liability. If SELLER does not perform within the stipulated time it shall also be liable in accordance with applicable laws and regulations and shall in any event indemnify BUYER for all direct cost (such as for example compensation for additional costs due to covering purchases) associated with the delayed or advanced delivery. Should SELLER on more than one occasion be late in delivery of goods and should BUYER at its discretion assess that such delays have a negative impact on BUYER’s business then BUYER shall have the right to cancel any future deliveries from SELLER and terminate the Agreement with immediate effect without liability. Partial shipments or deliveries shall not be permitted without the prior written consent of BUYER.

4. SHIPMENTS. All deliveries shall be made according to the INCOTERM agreed upon between the parties (latest published and valid INCOTERMS edition). SELLER shall be responsible for ensuring that the goods are accompanied by packing suitable for the purpose of preventing damage during transport and that the packaging is in accordance with applicable laws and requirements. Packing materials must be used only to the extent necessary to achieve this purpose. SELLER must take back the packing material as required by law and the applicable regulations. All documentation relating to a shipment and an order (for example on delivery notes, invoices, packaging units and pallets) shall be made out in accordance with BUYER’s delivery instruction.

SELLER must pack, identify and ship hazardous goods in compliance with the applicable national/international requirements. The accompanying documentation, in addition to the hazard class, must also contain the additional information required by the respective transportation regulations. The applicable transport, shipping and hazardous goods regulations must also be observed. SELLER shall be liable for damages and shall assume all costs incurred as a result of failure to comply with these regulations. SELLER shall also be responsible for compliance with these regulations by its subcontractors. All shipments that cannot be accepted as a result of SELLER’s failure to comply with these regulations shall be placed in storage at SELLER’s expense and risk. BUYER is entitled to ascertain the content and condition of such shipments.

5. WARRANTIES AND RESPONSIBILITIES. SELLER warrants that all goods sold hereunder will conform to agreed specification/s and any drawings, descriptions, regulations, samples and SELLER’s certificate of analysis, be in accordance with law, be free from radioactivity (in excess of natural background radiation at the place of destination) and will be merchantable, of good workmanship and material, and be free from defects. SELLER also warrants that the goods will conform with all requirements of public authorities such as, but

not limited to, health and safety, environment, production, marketing and distribution. The warranty period shall, unless a longer warranty period has been agreed, be 24 months from the date of delivery. SELLER’s warranties shall not be deemed to be exclusive. Inspection, approval, acceptance, use or payment by BUYER or its customers for all or any part of the goods shall in no way affect their respective warranty rights whether a breach of warranty had become evident at the time or not. If a defect is detected in a sample from a shipment, the entire shipment shall be deemed defective if the defect is of a nature that typically can be expected to reoccur in a majority of the items included in the shipment. In case of breach of any of the warranties above BUYER may, at its discretion, (i) claim remedy of the defect or demand redelivery of goods free from defects, (ii) cancel the specific delivery and order and/or rescind the Agreement, (iii) reduce the purchase price and/or (iv) claim damages. Goods shall not be replaced without prior written authorizations from BUYER.

In urgent cases or if a rectification by SELLER cannot be expected, BUYER may after having notified SELLER and notwithstanding its statutory rights under the warranty, have the defect rectified itself or by third parties at SELLER’s expense and demand reimbursement from SELLER of the expenses incurred. SELLER shall be responsible for any rectified or replaced goods by SELLER under the same terms and conditions as those applicable to the original goods. BUYER shall retain possession of and title to defective goods until it is replaced.

SELLER shall defend, indemnify and hold BUYER harmless from and against any and all loss, liability, cost and expense arising out of a claim that a defect in the design or manufacture of the goods, including defects in material and/or manufacturing processes or techniques, caused personal injury or death or loss of, destruction or damage to property. This agreement of indemnification includes SELLER’s responsibility for all judgements or settlement amounts which may otherwise be or become the responsibility of BUYER for the agreement of indemnification set forth in this clause 5.

6. RETURNS. If any of the goods provided by SELLER pursuant hereto are found during the term of the warranty period in clause 5 to be defective in material or workmanship, or otherwise not in conformity with the requirements of the Agreement, BUYER, in addition to any other rights which it may have under warranties or otherwise, shall have the right to reject and return such goods at SELLER’s expense.

7. WORK ON BUYER’S OR CUSTOMERS PREMISES. If SELLER’s work pursuant to the Agreement involves operations (such as onloading goods or driving) by SELLER or its transport firm on the premises of BUYER and/or of a customer of BUYER, SELLER shall take all precautions in the performance of such work necessary to prevent any injury to persons or property arising therefrom and shall indemnify and hold harmless BUYER and/or its customer, as applicable, against any and all claims for injury to person or property and reimburse BUYER for any and all loss arising out of or related to any act or omission of SELLER, its agents, employees or subcontractors as the case may be.

8. CHANGE OF PRODUCTION METHOD. SELLER shall not make any changes to the production source or method, manufacturing processes, testing procedures or any other changes that may affect the quality, performance or reliability of the goods without obtaining BUYER’s prior written consent. .

9. BUYER’S PROPERTY. To the extent SELLER may use the equipment, tools, and/or other materials of BUYER in fulfilling its obligations pursuant to the Agreement, all such materials shall remain the property of BUYER. Such materials, while in SELLER’s custody or control, shall be held at SELLERs risk and shall be insured by SELLER at SELLERs expense in an amount equal to the replacement costs of the same.

10. EXPORT AND IMPORT. SELLER shall comply with and adhere to all laws and regulations pertaining to: (i) applicable import or export controls, and (ii) trade and economic sanctions or restrictive measures enacted, administered, imposed or enforced by the UN, US, UK, EU, or any individual EU Member

State (jointly referred to as “**Trade Sanctions Regulations**”). SELLER represents and warrants that it has obtained all necessary authorizations, licenses, permits and similar government and other third party approvals (jointly “**Authorizations**”) for the delivery and export of the goods to BUYER. SELLER shall, upon BUYER’s request, provide BUYER with copies of Authorizations or similar proof evidencing that Authorizations have been obtained prior to delivery, as well as of all relevant export control and customs classification determinations, and all information necessary for such classifications, including but not limited to the customs value and origin, information on product and content origin and any de-minimis calculations under the US Export Administration Regulations. SELLER shall not, whether directly or indirectly through any affiliate, third party or otherwise, enter into agreement or arrangement with, provide financial assistance to or otherwise deal with any persons or entities (including but not limited to suppliers, subcontractors, agents and dealers) who are, or are owned or otherwise controlled by any person who is, specially designated or otherwise individually targeted under any Trade Sanctions Regulations. If BUYER has reason to suspect that SELLER is in breach of this clause, BUYER has the discretionary right to withhold performance under the Agreement or to immediately terminate the Agreement and/or any purchase order without economic liability.

11. REACH AND COMPLIANCE. If SELLER is a “seller” within the meaning of Art. 3, no. 32 of the REACH Regulation (Regulation (EC) 1907/2006), (“**REACH**”) and provided REACH is applicable, the SELLER is responsible for compliance with its obligations with reference to the delivery of the goods. In particular, it must in all cases covered by Art. 31, no. 1 to 3 of REACH provide BUYER with a Safety Data Sheet pursuant to Art. 31 of REACH in the official language of the receiving country and comply with its duty of information pursuant to Art. 32 of REACH for materials, both individually and in mixtures for which no Safety Data Sheet is required. SELLER must ensure that all substances contained in the goods are effectively registered in compliance with REACH for the applications indicated by BUYER, unless they are exempt from the registration obligation, and that they have required authorizations. The above requirement applies as appropriate for substances released from goods within the meaning of Art. 7 of REACH. SELLER must immediately notify BUYER if ingredients of an item supplied contain a substance in a concentration greater than 0.1 % by weight (w/w) that meets the criteria of Art. 57 and 59 of REACH or is listed in Annex XIV of REACH. The same requirements apply for packaging materials provided to BUYER as a separate individual goods. Should REACH not be applicable – then SELLER shall in any event comply with any and all applicable national and regional legislation concerning chemical substances and in particular in relation to registration, notification, documentation and reporting including but not limited to any and all regulations regarding substance lists.

## 12. COMPLIANCE WITH LAWS AND RESPONSIBLE SOURCING PRACTICES.

12.1 SELLER represents, warrants and covenants that:

(i) all its works and activities in connection with the Agreement are and will be pursued in compliance with applicable laws and regulations, internationally recognised human rights and labour rights, including but not limited to the eight core conventions of the International Labour Organization (ILO) as set out in the ILO Declaration of Fundamental Principles and Rights at Work and fundamental environmental and social standards as described in BUYER’s Suppliers Code of Conduct, as revised or amended from time to time, available, inter alia, at <https://www.hoganas.com/en/sustainability/policies/>, as well as but not limited to the US laws on the Fair Labor Standards Act of 1938, the Occupational Health and Safety Act of 1970 and those with respect to equal employment opportunity, as applicable. Where such laws or regulations so provide, the required provisions thereof are incorporated by reference herein;

(ii) SELLER and its affiliates, and their respective directors, officers, employees, agents and representatives, shall comply with BUYER’s Responsible Sourcing Policy and any relevant policies referred to therein, available at <https://www.hoganas.com/en/sustainability/policies/> and with the BUYER’s Suppliers Code of Conduct, as revised or amended from time to time, (“**BUYER’S Responsible Sourcing Requirements**”) as well as with all applicable laws and regulations, including but not limited to, anti-bribery laws, including at all times United States’ Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act 2010, and anti-money laundering laws;

(iii) SELLER’s answers provided in any BUYER’s supplier questionnaires are true and correct at all times;

(iv) SELLER’s suppliers and sub-suppliers of materials or products intended for or delivered to the BUYER are contractually bound to comply with the same or equivalent requirements as stipulated in the BUYER’s Responsible Sourcing Requirements;

(v) SELLER will immediately notify BUYER of any suspected or alleged breach of the foregoing.

12.2 Furthermore, in relation to the SELLER’s provision of materials and/or products that constitute or contain any of the metals tantalum, tin, tungsten, gold and cobalt (the “**Specified Metals**”)(as applicable), SELLER warrants, represents and covenants that:

(i) any and all materials and/or products originate from responsible smelters and refiners which have in place adequate due diligence procedures pursuant to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (“**OECD Guidance**”) and that such materials and products do not directly or indirectly serve as means to, directly or indirectly, finance or support armed groups that, inter alia, commit serious human rights violations;

(ii) SELLER at all times will comply with BUYER’s Conflict Minerals and Cobalt Policy with specific regard to the commitments in Section 3 of this policy as well as to the standards presented in Annex II of the OECD Guidance;

(iii) SELLER will continuously, and promptly upon request, provide BUYER with adequate assistance with regard to identifying the involved smelters and refiners and the origin of the Metals, and furnish BUYER with any other information necessary regarding the Metals, as decided in BUYER’s sole discretion;

(iv) SELLER will promptly, once available, provide BUYER with any issued third-party audit reports regarding the due diligence practices of smelters and refiners that are involved in the production of the Specified Metals;

(v) SELLER will complete BUYER’s supplier questionnaires on the Specified Metals upon request and within the specific time periods; and

(vi) SELLER incorporates the commitments in Höganäs Conflict Minerals and Cobalt Policy into the contracts with its suppliers.

12.3 SELLER grants BUYER the right to perform at any time, either itself or through third party, independent audits at all of SELLER’s production sites to confirm compliance with this Section 12 and BUYER’s Responsible Sourcing Requirements and/or quality management standards (such as ISO or similar). SELLER agrees to procure that these auditing rights of BUYER are extended to audits by BUYER of SELLER’s suppliers and sub-suppliers, if so requested by BUYER.

12.4 Any breach by SELLER of this Section 12 shall constitute a material breach of this Agreement which entails that this Agreement, in addition to other remedies, may be terminated by BUYER without any liability.

12.5 The SELLER undertakes to indemnify and hold BUYER harmless from and against any and all claims, costs, losses and liabilities arising as a consequence of or in connection with any breach of this Section 12.

13. INSURANCE. SELLER shall maintain in full force and effect, with an insurance company satisfactory to BUYER, comprehensive general liability insurance, including coverage for products liability and personal injury with respect to all claims and damages arising out of the manufacture, distribution, sale, or use of the goods and/or any actions or inactions taken by the SELLER pursuant to or in fulfillment of its obligations under the Agreement. In addition, SELLER shall ensure that all its employees, and the employees of any sub-contractors or sub-suppliers, shall have insurance covering healthcare for work-related injuries and death and compensation in the event of invalidity caused by work-related accidents and occupational disease.

Such policies shall have policy limits sufficient to provide adequate protection, at BUYER’s reasonable judgment, for SELLER against any such claim for damages and in no event shall have policy limits of less than EUR 2,000,000.00

per claim (or equivalent in other applicable currency). Copies of certificates evidencing such insurance policies shall be delivered by SELLER to BUYER upon request. SELLER's liability to BUYER under the Agreement shall not be limited to the amount or terms of such insurance.

14. **FORCE MAJEURE.** A party shall not be liable for a failure to perform its obligations under the Agreement, if the failure is related to circumstances beyond that party's control, which the party could not reasonably be expected to have taken into account at the formation of the Agreement and whose consequences the party also could not reasonably have avoided or overcome including but not limited to strikes, lockouts, labor conflicts, war, armed conflicts, terrorist acts, civil or military disturbances, blockades, requisition, seizure, embargo, restrictions in the use of power, currency and export restrictions, epidemics, natural disasters or other acts of God, fire, explosions, storms, floods, earthquakes, prohibition or law of governmental authorities to the extent that such performance is thereby impeded ("**Force Majeure Event**"). SELLER shall in all aspects and in all situations treat BUYER as a prioritized customer meaning that it shall in relation to other customers prioritize BUYER and procure that it primarily and in full allocates and apportions goods to SELLER according to its contractual obligations in case of shortage of goods and similar situations.

A party shall be obliged to take reasonable efforts to mitigate any adverse consequences in the event of this clause 14 applying. Should the Force Majeure Event extend beyond 60 days after the occurrence of the Force Majeure Event, the parties may terminate those purchase orders which relate to the delayed or non-performed delivery without incurring any liability towards the other party.

In order for a party to invoke the provisions of this clause 14, such party shall inform the other party without delay.

15. **INVOICE AND PAYMENT** Unless otherwise agreed, the payment term shall be 60 days from receipt of the invoice. For domestic purchases, invoices shall not be issued prior to the receipt of the goods by BUYER. For non-domestic purchases with customs clearance, invoices must be issued and sent to BUYER prior to the delivery of the goods pursuant to Section 4 above. Any invoice shall list a description of the goods provided and as applicable part numbers, quantity, unit and total prices as well as other necessary invoicing information.

16. **TITLE TRANSFER AND RETENTION OF TITLE.** Title to goods passes to BUYER upon receipt of the goods at the place of destination, whether it is an address of BUYER or of any third party designated by BUYER. Title to goods must be transferred to BUYER without restrictions.

17. **INTELLECTUAL PROPERTY.** SELLER shall defend and hold harmless BUYER and its affiliated companies, their successors, assigns, customers and users of their goods from all damages, claims, demands, actions, expenses and other costs arising out of or based upon actual or alleged infringement of any patent, trademark, copyright, trade secret or other proprietary right covering or purporting to cover the acquisition, use, consumption or resale of goods delivered under the Agreement. In the event the use of any goods provided to BUYER pursuant hereto is permanently enjoined by reason of any such infringement or alleged infringement, SELLER shall, at its own expense and at its sole option, (i) procure for BUYER the right to continue using the goods, (ii) modify such goods to render it non-infringing, (iii) replace such goods with non-infringing goods, or (iv) refund the purchase price and the transportation costs paid by BUYER for such goods.

18. **TERMINATION.** If SELLER defaults in the performance of its obligations hereunder and does not remedy such default (if possible to remedy) within five working days from notice from BUYER or ceases to conduct its operations in the normal course of business (including any inability to meet its obligations as they mature) or if any proceeding under bankruptcy or insolvency laws is brought by or against SELLER, or a receiver for SELLER is appointed or applied for or an assignment for the benefit of creditors is made by SELLER or SELLER has not complied with its obligation to withhold taxes and/or social security contributions, BUYER may, at its discretion and without liability, terminate the Agreement with respect to goods not delivered and/or provided. Has there been significant deterioration of SELLER's financial situation that endangers performance of the Agreement, BUYER shall be entitled to require security for performance of future deliveries. If required security is not granted upon request, BUYER may, at its discretion and without liability, terminate the Agreement with respect to goods not delivered and/or provided.

BUYER may if there occurs any event, circumstance, change or effect that, individually or in the aggregate, is adverse to the business, condition (financial or otherwise), assets, liabilities or results of operations of BUYER ("**Adverse Effect**") inform SELLER of such circumstances and the parties shall in such case commence good faith discussions in order to try to mitigate the consequences of such event and adapt to the new market situation. Should the parties not be able to agree on a solution regarding the Adverse Effect within two weeks from notice from either of the parties, then BUYER has the right to terminate the Agreement or a specific delivery or order, in whole or in part, at any time by written notice to SELLER who shall thereupon stop work immediately, notify subcontractors, if any, to stop work, and protect any of BUYER's property then in SELLER's possession. SELLER shall promptly advise BUYER of the quantities of applicable work and material on hand or purchased prior to such a termination and the most favorable disposition that SELLER can make thereof. All claims by SELLER based on such a termination must be asserted, in writing and in full, within 90 days from the date of notification of the termination, or they shall be waived. BUYER shall pay SELLER the agreed price of finished work and the actual costs of SELLER that are properly allocable by recognized accounting practices to work in process and raw material; less, however, the agreed value of any items used or sold by SELLER to others with BUYER's consent. Such payment shall never exceed the full purchase price of the goods. The payment provided under this clause shall constitute BUYER's only liability in the event the Agreement is terminated as provided herein. The foregoing provisions of this clause shall not apply to any termination by BUYER for default of SELLER or other action of BUYER permitted under the provisions of this Section 18.

19. **CONFIDENTIALITY.** SELLER hereby acknowledges that BUYER's specifications and other technical and/or commercial data are the exclusive property of BUYER and are confidential in nature (jointly "**Confidential Information**"). SELLER agrees to hold in confidence all Confidential Information and shall not, without BUYER's prior written consent, disclose to any third party such Confidential Information. Any such Confidential Information may be used by SELLER only to fulfill its obligations pursuant to the Agreement. Nothing herein shall give SELLER any right, title or interest in or to any proprietary rights of BUYER or its affiliates.

20. **SUB-CONTRACTING AND ASSIGNMENT.** The rights and obligations created by the Agreement may not be assigned or otherwise transferred by either party unless agreed to between SELLER and BUYER in writing. No delegations of performance under the Agreement, whether by subcontract or otherwise, shall relieve SELLER of responsibility for full performance without the consent of BUYER.

21. **PERSONAL DATA PROTECTION.** Each party must at all times comply with its respective obligations under the applicable data protection laws and regulations. For information on how BUYER treats personal data regarding any SELLER representatives, see BUYER Privacy Policy and Privacy Statement on [www.hoganas.com](http://www.hoganas.com).

22. **NO AMENDMENT.** The Agreement shall supersede any other agreement or understanding between BUYER and SELLER relating to the subject matter hereof made prior to the date hereof. The Agreement may not be amended or modified except by a written agreement executed by the parties.

23. **GOVERNING LAW AND DISPUTE RESOLUTION.** The Agreement shall be governed and construed by the substantive law of the country in which the purchasing Höganäs legal entity has its registered place of business, notwithstanding its conflict of laws rules. The United Nations Convention for the International Sale of Goods shall not apply to the Agreement. Any dispute, controversy or claim arising out of or in connection with the Agreement, or the breach, termination or invalidity thereof, shall be finally settled by the competent court where the Höganäs legal entity has its registered place of business.

Instead of what is stated above, if BUYER is a US legal entity, the Agreement shall in all cases be governed by and construed with the laws of the State of Pennsylvania and any dispute, controversy or claim arising out of or in connection with the Agreement, or the breach, termination or invalidity thereof, shall be commenced and maintained only in the Court of Common Pleas of Somerset County, Pennsylvania and/or in the Federal Courts of Western District of Pennsylvania. Both parties hereby submit to the sole and exclusive jurisdiction and venue of such courts.