

## GENERAL TERMS AND CONDITIONS OF PURCHASE

### 1. GENERAL PROVISIONS

- a. These General Terms and Conditions of Purchase are applicable to the acquisition or purchase of goods and services between suppliers (hereinafter, "**the Supplier**") and the member companies of DRAXTON (also referred to as "**the Purchaser**" or "**DRAXTON**"). Also referred to in what follows as "**Party**" or "**Parties**". The member companies of DRAXTON are those listed on its website.
- b. The Supplier declares that it is aware of these General Terms and Conditions of Purchase, which are deposited in the Property Register (Registro de Bienes Muebles) and are published on and accessible via the website [www.draxton.com](http://www.draxton.com)
- c. These General Terms and Conditions of Purchase exclude the application of any General Terms and Conditions of the Supplier, which shall be deemed not to apply unless the Purchaser has expressly accepted these in writing through its legal representatives.
- d. Any exception to these General Terms and Conditions of Purchase shall only be valid if it has been formulated and expressly accepted by DRAXTON.
- e. Nor shall any conditions or specifications that the Supplier inserts in its delivery notes, invoices or other documents exchanged between the parties be applicable when they contradict the general or particular conditions by which the Order is governed.
- f. The nullity of any of these General Terms and Conditions of Purchase shall not invalidate the remainder, which shall remain fully in force.
- g. The Supplier declares that it is aware that the Purchaser is a qualified supplier in the automotive sector. Therefore, in order to avoid damage to the Purchaser and its clients, it shall be especially thorough in the fulfilment of its obligations, and especially with regard to the agreed deadlines and qualities. The Supplier is especially aware that punctuality in delivery and quality assurance are key in the sector, and therefore essential in its relationship with the Purchaser.
- h. In order to maintain a commercial relationship with the Purchaser, the Supplier must be, at all times, up to date with its obligations to Social Security and the Tax Authorities and agrees to provide certificates accrediting such matters at the Purchaser's request at any time.
- i. The Supplier declares that it is an independent entity and that, under no circumstances, shall the relationship derived from the Order be deemed a labour/employment arrangement. The Supplier shall be the sole party responsible for compliance with its obligations, using its own means and resources.
- j. The Supplier must designate an email address for its communications with the Purchaser, through which all notifications between the Parties shall take effect.

### 2. ORDER

- a. The Purchaser shall purchase goods (raw materials, ferroalloys, energy, tools, prototypes, etc.) and hire services (transport, engineering, outsourcing, subcontracting -painting, machining, treatments, elimination and recovery of waste, etc.) from the Supplier by means of orders, programmes or contracts (hereinafter, generically "**the Order**"), which shall be formalised in writing and may be sent electronically.
- b. These General Terms and Conditions of Purchase shall be attached to the Order and shall be

permanently available to the Supplier. The Order shall consist of the Particular Terms and Conditions as indicated (either in a contract, in a purchase order or in another DRAXTON document) and the General Terms and Conditions set forth in this document. Any modifications or changes by the Supplier to the Order shall be invalid unless the Purchaser declares its express and written acceptance thereof. In cases of dispute, the particular conditions shall prevail over the General ones.

- c. The Order shall be considered expressly accepted by the Supplier when that party declares it so. Tacitly, it shall be assumed that commencement of the work, delivery of the good or provision of the service implies acceptance of the general and particular conditions of the Order.
- d. As long as the Supplier has not accepted the Order, the Purchaser shall be entitled to cancel it. The Purchaser may withdraw or cancel the Order in whole or in part if the Supplier fails to comply with its obligations.
- e. Any Order placed within the framework of a schedule, or any open order, shall be binding on the Supplier, as long as this party does not reject it, in writing sent to the Purchaser with electronic acknowledgement of receipt, seven (7) days prior to the start date of the scheduled provision.
- f. When the Order establishes a delivery schedule, the Supplier is aware that this is subject to changes at any time for reasons of replanning and/or market developments, without any right to indemnity, monetary compensation or payment for damages or losses.
- g. When the Supplier foresees the possibility of needing to make some kind of change to the process, movement, means of production or supply chain, it must report this in writing and sufficiently in advance to the Purchaser for the latter's approval thereof.
- h. The Supplier undertakes to comply with delivery and quality indicators (KPIs) and PPM agreements that, where applicable, are issued to it by the Purchaser. In the event of non-compliance, the Purchaser shall report the irregularities and the Supplier shall have a period of no more than two weeks to submit a Plan for Corrective Action to ensure compliance. In the event of failure to do so or to correct the irregularities within a reasonable period of time, the Purchaser may terminate the Contract, without the Supplier having any right to compensation.

### 3. DELIVERY

- a. Deliveries of goods shall be made in the quantity, period, place, amount and manner indicated in the Order.
- b. The Supplier undertakes to deliver the goods or products that are the subject of the purchase or supply in accordance with the provisions of the Order and the General Terms and Conditions. Packaging must comply with applicable laws and regulations.
- c. It is the Supplier's responsibility to use adequate packaging, so that the supplied goods reach the Purchaser without defects or deterioration (knocks, rust, etc.). The packaging shall match, where applicable, the characteristics stated in the Order.
- d. The Supplier must provide all the certificates that are required for the goods and services, at the time of delivery, and must comply with all technical specifications agreed with the Purchaser.
- e. The Supplier's personnel who perform work on the Purchaser's premises must observe the internal instructions and rules of the workplace where they are and shall be held responsible for any accidents that these persons might suffer.

- f. The goods shall always be transported at the liability of the Supplier. The Supplier shall be responsible for loading, transport, preparation for loading and unloading operations of the goods or products that are the subject of the purchase or supply, except in cases of Incoterm or express agreement otherwise in the Order. In the absence of an agreement, Incoterm 2020 DDP to the Purchaser's or DRAXTON's plant shall be applied. The Supplier must adopt all agreements that it deems appropriate with its carrier before the effective presentation of the vehicle for loading. Unloading of goods that are considered dangerous shall be the duty of the receiver of the goods.
- g. Such operations shall be performed in strict compliance with the applicable law depending on the nature, dangerous or not, of the goods or products.
- h. In case of excess or insufficient amounts, it shall be at the discretion of the Purchaser whether or not to accept the delivery. Should it be received, the Purchaser may return excess products to the Supplier at any time, at the risk and expense of the Supplier, and it may also present a claim for any missing amount.
- i. In case of delay in the delivery of a product or service, the Purchaser may apply one or more of the following penalties:
- A penalty for late delivery, equivalent to one percent (1%) of the price, for each day of delay, following a grace period of 5 calendar days counted from the date indicated for delivery.
  - Should the delay exceed 15 calendar days, DRAXTON may cancel the Order and claim compensation for damages and losses from the Supplier.
  - In the event that the delay causes a stoppage to production at DRAXTON or one of its end clients, in addition to cancelling the Order, DRAXTON may claim from the Supplier the damages and losses incurred, which shall include lost profits, special damages and consequential damages.
  - Said amounts for penalties shall be immediately payable and may be offset by amounts that the Supplier has in credit.

In the case of delivery schedules or open orders, the Purchaser is entitled to set penalties for cases of non-fulfilment of quality and delivery indicators. The Supplier shall have the right to appeal within a period of seven (7) days. Once settled, the amount established as a penalty may be paid by offsetting or discounting from any the amounts that the Supplier has in credit at that time.

#### 4. DOCUMENTATION

- a. All deliveries shall be accompanied by three delivery notes/waybills (one for the Supplier, another for the carrier and another for the DRAXTON addressee).
- b. Delivery notes must state and bear, at least:
- Order number.
  - Document number and date.
  - Code and identification of the goods.
  - Actual amount sent.
  - Number of packages, net weight and gross weight.
  - Packing List/Barcode label in the case of raw material.
  - Quality Certificate and Safety Sheet, for products so requiring.
- c. In the case of dangerous goods, the waybill must comply with the requirements of the ADR (European Agreement concerning the International Carriage of Dangerous Goods by Road), RID (European Regulation concerning the International Carriage of

Dangerous Goods by Rail), as well any other regulations applicable in the countries through which they shall be transported and be accompanied by written instructions for cases of accident or emergency.

- d. In the event of non-fulfilment of the established requirements, the Purchaser reserves the right to report this by email and return the goods and the corresponding invoice to the Supplier, at no charge or cost.
- e. The authorised Supplier must deliver a quality certificate together with its product/service pursuant to the Product File and the Receipt Instruction sent by Draxton.

#### 5. METHOD AND DEADLINE FOR PAYMENT OF THE PRICE

- a. All payments shall be made within the payment term established by DRAXTON, from the invoice date. The invoice shall be issued after delivery of the goods or products under the agreed conditions, or after the satisfactory provision of the service. Prior to payment, it is an essential requirement for the Supplier to issue the corresponding invoice and for DRAXTON to possess the delivery documents without the latter having detected any defects or issued any complaints.
- b. The Supplier must request the corresponding Order number from DRAXTON, in order to include it in the invoice, as well as in all communications with DRAXTON arising from the Order.
- c. In the absence of express provision otherwise, the means of payment shall be by bank transfer.
- d. Payments shall be made in euros, unless another currency has been expressly agreed in the Order.
- e. The price includes all costs and freight to the point of delivery.
- f. Unless expressly agreed in writing, changes to the price shall not be accepted due to variations in the cost of indexed materials, or other similar circumstances.
- g. The payment does not presuppose acceptance of or conformity with the products or services. Neither does it affect the guarantees granted by the Supplier.

#### 6. UTENSILS

- a. All dies, moulds and tools that are generally required or necessary for the purpose of the Order, shall be considered property of the Purchaser and may be withdrawn by that party when these are demanded, the Supplier waiving any right of retention, notwithstanding its rights of credit against the Purchaser.
- b. During the time that these items are in the Supplier's possession, the Supplier shall be responsible for their maintenance and conservation, assuming whatever necessary costs.
- c. As long as they remain in the Supplier's possession, they shall be viewed as on gratuitous loan or deposit, and the Supplier may only use those items for purposes related to the Order.

#### 7. QUALITY AND GUARANTEE

- a. At the Purchaser's request, the Supplier must certify the contracted quality. In whatever case, the Supplier must fulfil the highest international and market standards. The authorised Supplier must be certified at least by ISO-9001, or an equivalent standard in the automotive sector.

- b. Any goods that are not accepted by the Purchaser shall be returned to the Supplier, at the latter's expense and liability, and said deliveries shall be deemed not to have been made, and the Supplier must compensate for damages and losses and, where applicable, reimburse the Purchaser with the price.
- c. Verification or inspection of the goods (weight, amount, and quality) shall be performed at the destination or at the Supplier's address if, at the Purchaser's discretion, this is convenient, unless agreed otherwise. If required by the latter, the Supplier shall allow access by the Purchaser and/or its clients to its facilities and those of its suppliers. Under no circumstances may payment or transfer of ownership be construed as acceptance of the goods.
- d. Defective deliveries shall be returned on a freight collect basis to the Supplier, who undertakes to immediately replace the goods on a carriage paid basis.
- e. The Purchaser shall notify the Supplier in writing of the defects as soon as they are detected, without being subject to a time limit.
- f. Reporting of defects and deficiencies in the goods received, whether apparent or concealed, shall be made when their existence is actually verified, regardless of the time elapsed since their delivery, and even in the event that payment has already been made to the Supplier, who waives all objection to a late claim.
- g. The Supplier guarantees that the supplied products or services shall be free of defects and encumbrances, shall be pursuant to the Order and the technical specifications, and shall be suitable for the purpose of the Order. The Supplier shall be responsible for all repairs, corrections and expenses that may be necessary, including replacement of the goods or products that are the subject of the purchase or supply with new ones, and that arise from defects in materials, lack of quality or any other circumstance related thereto, or defective or inadequate compliance by the Supplier with the conditions applicable to the purchase or supply.
- h. Specifically, the Supplier guarantees to DRAXTON:
  - That all the goods or products that are the subject of purchase or supply are its property, are being used for the first time and are made with materials or products of the required quality and which comply with safety and environmental requirements, are of the specified quality, and are also suitable for the purpose for which they are being purchased.
  - That the goods or products that are the subject of purchase or supply are free of all charges, encumbrances or other possible in rem rights, attachments, liens or burdens that could affect them, and that the Supplier or the goods or products are not affected by any restriction on the free trade thereof.
  - That the goods or products comply with the stipulations agreed by the parties, and also fulfil all of the terms and conditions established in the Order; that they are free of any defect or anomaly, visible or concealed, whether due to materials, workmanship, design, manufacture or any other circumstance prior to delivery.
  - That it holds the intellectual or industrial property rights to the goods or products that are the subject of the purchase or supply or, where applicable, that it has the required licences for their manufacture or sale, and that the Supplier is liable for any expenses or costs arising therefrom.
- i. For goods or products that by their nature are transported in packaging, the Supplier must comply with and ensure compliance with the following:
  - The packages that make up each delivery must be clearly identified and marked to match their description contained in the delivery note/invoice and marked on the outside with the destination of the goods and the corresponding Order number, as well as instructions for handling or precautions to be taken, should these be necessary.
  - When the nature of the goods so requires, the goods must be sufficiently packed to avoid any damage or impairment and to ensure that they do not pose any danger to people, goods or the environment. Goods or products corresponding to different goods or products shall not be packed together under any circumstances. DRAXTON shall not make any payment for packing if this has not been agreed to beforehand.
- j. In the case of goods or products that, due to their nature, are transported in bulk in tanks or containers, the Supplier must comply with and ensure compliance with any internal cleaning conditions that are applicable, providing the corresponding certificates, both for loading and unloading.
- k. The Supplier shall, in whatever case, be liable before DRAXTON and before third parties for all damages and losses that might be caused during the following operations, even if they were not carried out directly by the Supplier:
  - By correct access and driving of the vehicle to the delivery point/unloading bay, as well as operations to prepare the vehicle for unloading.
  - In the case of non-dangerous goods, correct performance of the unloading operations inside the delivery point/unloading bay.
- l. In case of late delivery, the Supplier shall be deemed to be in default without the need for any notice thereof from DRAXTON.
- m. Unless agreed otherwise, the warranty period shall be 24 months from the final delivery. Within said period, the Supplier must replace or repair, free of charge, any defective or unsatisfactory product or service, and shall be responsible for the associated costs, such as postage, allowances, tests, etc. Replacement or repair must be completed in a reasonable time as established by the Purchaser. If this requirement is not fulfilled, DRAXTON may outsource the task to a third party, at the Supplier's expense.
- n. All production materials and components shall require approval of samples by DRAXTON. Samples shall be free of charge, and the amount shall be as determined by DRAXTON. DRAXTON is not responsible for the costs of tests and/or delays that might be generated in the sample approval process. Deliveries of the first samples for homologation must come with a certificate attached accrediting that the material or product is environmentally friendly. The product/service approval documents that the Supplier must provide must comply with the IATF 16949 (PPAP) standard.
- o. In the re-homologation or re-qualification of the parts/service, the approved supplier must send at least the certificate for the material, the control plan and tests every three years, or as indicated in the specification issued by the End Client (CSR)

## 8. FORCE MAJEURE

- a. The Parties shall not be liable for any breach of their obligations arising from the Order whenever compliance is impossible as a result of Force Majeure. Force Majeure is understood to mean all those cases in which circumstances occur which are unforeseen, or which are foreseen but unavoidable, such as armed conflicts, pandemics declared by the WHO, terrorist acts, fires, earthquakes, or catastrophic meteorological phenomena. While the causes persist, the obligations of the Parties shall be suspended, and the doctrine of "*rebus sic stantibus*" shall not be applicable.
- b. The suspension of contractual obligations shall continue as long as the cause of origin of the Force Majeure persists. A Supplier who suffers such circumstances must immediately notify the Purchaser, but no later than 48 hours from the moment when the Force Majeure event occurs and make reasonable efforts to resolve the cause of the suspension in the shortest possible time. The Supplier must notify the Purchaser of the cessation of the Force Majeure.
- c. If the cause of Force Majeure lasts for so long that the purpose of the Order is impeded, or if it lasts for more than two months, the Purchaser may cancel the Order.
- d. Non-fulfilment of the duty to immediately inform and take the necessary measures to lessen the effects of Force Majeure shall imply that the non-fulfilling party must comply with its full obligations, without possible exemption.

## 9. INSURANCE

- a. Notwithstanding its liability under the Order, and without this clause conditioning the same, the Supplier shall take out and keep in force, at its own expense, at all times during the validity of the Order, and with companies of recognised financial solvency, civil liability insurance to cover the product served or service provided. The insured risk must be in accordance with the importance of the services or products within DRAXTON's production process, and the price thereof, in an annual estimate. In whatever case, the coverage may not be less than €1,000,000, per claim and year. Said insurance shall be understood to be notwithstanding:
- b. Insurance for damages, which covers the value of the materials owned by the Purchaser that the Supplier holds on a deposit basis. In the event of a claim, the Supplier shall award the corresponding compensation to the Purchaser.
- c. Corporate civil liability, including among others pollution and contamination.
- d. If the use of motor vehicles is necessary for the performance of the Order, Compulsory Motor Vehicle Insurance.

## 10. ANCILLARY OBLIGATIONS OF THE SUPPLIER

- a. All studies, plans, projects, drawings, documents, prototypes, and parts provided by the Purchaser to the Supplier are the sole property of the former, and are considered confidential and, consequently, the Supplier undertakes not to lend or use them or copies of them without the prior written consent of the Purchaser.
- b. The Supplier must comply with all legal provisions that are always in force, especially those of a Labour, Social Security or Tax nature, in addition to those related to the Environment, Health and Safety and Prevention of Occupational Risk.

- c. All information owned by DRAXTON that is used by the Supplier's personnel throughout the performance of the Order must be safeguarded by the latter, pursuant to both the legal and regulatory framework applicable in the country in question, as well as DRAXTON's internal regulations, in such a manner that it is adequately protected, and its confidentiality, integrity and availability is guaranteed.
- d. Unless otherwise agreed, the performance of the Order does not imply the need to transfer personal data from one Party to another. In the event that this is necessary, the receiving party undertakes to comply with the provisions of Regulation EU 2016/679 and its implementing regulations, and the Supplier may perform all related rights, by means of communication to: Camí de Can Ubach 25-27 - Pol. Les Fallules 08620 Sant Vicenç dels Horts (Barcelona), stating its first name and surname(s), physical address and e-mail address and attaching a copy of its ID document.
- e. In the event that the Supplier performs painting, coating or machining work, after which the result is delivered to DRAXTON's end client, the Supplier must manage, at its cost, the delivery of the product to DRAXTON's end client, in accordance with procedures established by said end client.
- f. The approved Supplier must regularly check the specific requirements of our clients called CSR that are available on the IATF 16949 webpage or website and on our end client's internet portals. DRAXTON shall enable a Share Point to show where these can be viewed. If the Supplier does not agree with these requirements, it must report this in writing.
- g. In the event that DRAXTON deems it necessary to ensure compliance with its supply schedules, the Supplier must establish a safety stock of sufficient quality and quantity in its warehouses.

## 11. TERMINATION

- a. The Supplier is aware that the existing purchase orders and schedules between the Purchaser and its client are open, in the sense that they could end when the end client no longer needs to procure parts, without the obligation for compensation or advance notice from the end client to the buyer. Consequently, in said circumstance, the Supplier accepts that the Order may be interrupted at any time, without obligation to compensate on the part of the Purchaser who, if possible, shall notify the Supplier in advance.
- b. Early termination shall also be possible, at the behest of DRAXTON and without liability, providing notice of one (1) month, in the following cases:
  - When DRAXTON is able to supply the product or service internally, through group or associate companies.
  - When DRAXTON finds a more competitive supplier, in terms of quality, delivery or price, and the conditions are not matched by the Supplier.
  - When DRAXTON's end client request a change of Supplier.
  - In the event of a decrease in DRAXTON's production volume, or substantial variations in the contract between DRAXTON and its client that affect the Order.
- c. In case of breach by the Supplier, DRAXTON may terminate the Order with immediate effect. Breach shall be considered to mean:
  - Serious breach of the general or particular conditions of the Order.
  - Repeated breach of the general or particular conditions, especially with regard to indicators



- of delivery, quality, Quality Agreement and/or PPM Agreement.
- The mere breach of essential obligations, regarding quality, Social Security, occupational risk prevention standards, or ethical standards and regulatory compliance.
- d. In the event of termination of the Order, on the established termination date, the Supplier undertakes to:
  - Return any material that it holds on a deposit basis, as well as the documents associated with the Order.
  - Deliver to DRAXTON all satisfactory finished products, for which this party shall pay. If necessary, DRAXTON may request a safety stock from the Supplier, which shall also be paid at the established price.
  - Collaborate for a quick transition, if the Order is awarded to a third party.
  - Pay, where appropriate, the required penalties and/or for damages or losses caused. The payment thereof may be made by offsetting.

**12. APPLICABLE LAW AND JURISDICTION**

- a. These General Terms and Conditions and the Order shall be governed by Spanish Law.
- b. These General Terms and Conditions have been drawn up in English and Spanish. In case of dispute, the Spanish version shall prevail. The Purchaser holds shares in a business group that is listed on the Mexican Stock Exchange, hence the confidential information related to the purpose of the Order, its performance, and the existence of negotiations between the Parties, may constitute "privileged information", the use of which may constitute a crime and be subject to legal action by the authorities.
- c. The Supplier, directly and/or through persons acting on its behalf, shall not offer money, gifts, or delivery of securities in breach of laws and regulations in order to obtain a certain business. The Supplier is prohibited from granting any type of bribe in the performance of the Order. The Supplier acknowledges that the resources related to the Order and that are part of its assets do not come from activities considered illegal. Failure to comply shall entitle the Purchaser to immediately terminate the Order without liability. The Purchaser is committed to social responsibility policies, to have a positive impact on its environment, and that of its shareholders, employees, suppliers, and the community with which it interacts. These policies include equal opportunities, respect for human rights, care for the environment, efficient use of natural resources and regulatory compliance. The Supplier must also comply with said principles in the Services and/or materials offered to the Purchaser.
- d. Non-assignment: The Supplier may not assign or transfer the Order, or its rights or interests derived therefrom, nor the monetary amounts that must be paid.
- e. For any questions that may arise in relation to the performance or interpretation of the General Terms and Conditions and the Order, the parties agree to submit these to the Courts and Tribunals of Barcelona. However, the Purchaser and Supplier shall endeavour, before such a measure is taken, to reach an amicable solution to the dispute raised. At the Purchaser's behest, as an alternative to judicial litigation, arbitration may be pursued via submission to the Barcelona Court of Arbitration, which shall appoint an arbitrator and rule in accordance with the Law.

**13. CSR AND ENVIRONMENTAL POLICY**

- a. DRAXTON has a Code of Ethics and an Integrity Committee, as well as a Committee on Regulatory Compliance and Data Protection, and for the prevention of crimes, these documents should be consulted on the GIS corporate website: <http://www.gis.com.mx/en/ethics-code/>. The standards contained in these documents are mandatory for all DRAXTON suppliers.
- b. In addition to the provisions of the previous clause, the Supplier voluntarily undertakes to comply with Corporate Social Responsibility (CSR) policies, and to encourage compliance therewith in its supply chain and subcontractors (if any), developing policies in the areas of human rights and labour standards, business ethics, environmental protection and safety, and responsible sourcing of minerals:
  - Human Rights and Labour Standards.  
The Supplier must respect internationally recognised human rights, as well as promote and monitor compliance therewith within its organisation and supply chain. Under no circumstances may it permit child labour and it must comply with the regulations of the ILO conventions on the minimum working age.  
The Supplier must respect the freedom of its workers to terminate their employment, which shall be legally and contractually regulated. The Supplier may not resort to forced or compulsory labour under any circumstances. The Supplier shall respect the right of its workers to freely affiliate with or join trade unions and seek someone to represent them in the workplace. The Supplier must comply with applicable regulations in relation to the remuneration and salary benefits of its employees. The Supplier undertakes to apply effective health and safety policies adapted to its work and based on prevention, in the form of specific action plans and commitments applicable to all employees, regardless of their role within the company.
  - Business Ethics.  
The Supplier must comply at all times with the current legislation applicable to its activity and the commercial relationship with DRAXTON. The Supplier shall especially take into account the anti-trust and protection of free competition regulations, shall refrain from collusive or anti-competitive behaviour and in general from all those practices prohibited by virtue of said regulations. It shall also refrain from all types of fraudulent or unfair behaviour, and from committing any punishable offences. The Supplier undertakes to implement regulatory control systems in order to ensure a culture of compliance and that decision-making is solely based on business interests.  
The Supplier must comply with current regulations on personal data matters, especially in all matters concerning DRAXTON's personnel and clients. The Supplier must safeguard DRAXTON's industrial and intellectual property rights with the same level of diligence as it safeguards its own and, in whatever case, with a reasonable level of diligence in accordance with practices in its sector. The Supplier shall refrain from breaching the intellectual property rights of DRAXTON and its clients.
  - Environmental Protection.  
Suppliers must comply with environmental legislation and implement, operate and constantly improve their procedures, taking environmental aspects into particular account. Suppliers shall

monitor greenhouse gas emissions from their activities, and shall make every effort to reduce those emissions, and shall endeavour to use energy efficiently. Suppliers must prevent air, water and soil pollution through continuous monitoring and reduction of the use of pollutants. Suppliers shall make use of suitable waste disposal, recycling and management systems, and shall seek to reduce water consumption, as well as the amount of end waste, through the effective use of resources.

Suppliers must report any potentially polluting or dangerous chemical products that they use and must manage these properly. Suppliers must not include illegal chemicals in their products or use them in their manufacturing processes.

- **Responsible Sourcing of Minerals**  
Likewise, should the case arise, the Supplier undertakes to report to DRAXTON the source of any conflict minerals that its products contain. Conflict minerals, known as 3TG, are Tantalum, Tin, Tungsten and Gold. The Supplier's liability includes verifying that its suppliers do not source raw materials from conflict zones, both in African countries and in other parts of the world.

#### **14. INFORMATION SECURITY POLICY.**

The Purchaser has an Information Security Policy in place that sets out the information security management model and its objectives for regulating relations with Customers and Suppliers, as well as the resulting policies and procedures. The Supplier has been informed of the above and declares that it is acquainted with the Information Security Policy, and undertakes to strictly comply with the same and to inform the Purchaser of any act or consequence arising hereunder that violates the Purchaser's Information Security Policy. Failure by the Supplier to comply with the provisions of this clause shall entitle the Purchaser to terminate the contract between the Supplier and the Purchaser immediately, without the Purchaser incurring any liability except for payment of services actually rendered by the Supplier or goods purchased by the Customer prior to the date on which the termination of the contract takes effect.

#### **15. INFORMATION SECURITY.**

- a. The Supplier undertakes to protect and keep confidentiality with respect to all the information that it could process derived from compliance with these General Conditions of Purchase and the Order. The Supplier will treat the information without obtaining its own benefit, nor transfer it to third parties, without authorization from the Purchaser. Likewise, the Provider undertakes to implement the necessary technical, physical, and organizational security measures for the safe custody of the information and, at the end of the contract (5 years), guarantee the secure deletion. In this regard, you must certify the secure erasure of all your systems and files in any format.
- b. In the event of a breach, Supplier agrees to indemnify and hold harmless Purchaser and each of their respective representatives, directors, employees, agents, consultants and representatives (each an "**Indemnified Party**"), by and against all claim, damage, loss, liability and expenses (including, without limitation, reasonable legal counsel's fees and expenses) that may be incurred or determined by competent authority, against any Indemnified Party, arising in each case, in connection with (or by

the preparation) of any defence related to the breach of the provisions of this clause.

- c. The Purchaser, notifying the Supplier 5 days in advance, shall have the right to carry out reviews directly or externally in order to test, evaluate, assess and verify that the Supplier periodically maintains the effectiveness of the physical, technical and organizational security measures implemented to safeguard the Purchaser's information.

#### **16. INFORMATION SECURITY BREACH.**

In the event that the Supplier detects in an information security breach and/or a security violation, whether digital or physical (such as theft of equipment), that results in the accidental or unlawful destruction, loss or alteration of, or unauthorised access by third parties to, the Purchaser's data, the Supplier shall be obliged to notify the Purchaser in writing of the incident within 48 hours of it occurring. Furthermore, as a consequence of the above, the Supplier undertakes to pay to the Purchaser the amount of any damages caused to the Purchaser, its parent company, affiliates, subsidiaries and licensors. The Supplier shall also be obliged to implement corrective actions in a timely manner to resolve security breaches and/or violations that have been reported to the Purchaser.

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