

General Terms and Conditions of Purchase

1. General Information

- 1.1 These General Terms and Conditions of Purchase and our General Terms and Conditions of Delivery, which can be obtained at any time from the FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG website at www.fraenkische.com, apply to all orders, goods, services, and payments of and to FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG in transactions with businesses. They are part of all contracts concluded between FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG and its suppliers regarding the goods or services offered by them. They also apply to all future goods, services, or offers to FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG, even if they are not separately agreed again. Regarding existing and ongoing business relationships, the latest version of these General Terms and Conditions of Purchase applies. The acceptance of goods, services, or payments does not imply any acceptance of the general terms and conditions of the supplier. In particular, FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG will only be bound by the general terms and conditions of the supplier if they are consistent with the latest version of the General Terms and Conditions of Purchase of FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG or if FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG has agreed in writing to the general terms and conditions of the supplier. Even if FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG makes reference to a letter containing the general terms and conditions of the supplier or a third party, this does not constitute its consent to those general terms and conditions.
- 1.2 Individual agreements deviating expressly from these General Terms and Conditions of Purchase or unilateral provisions of FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG regarding orders take precedence.

2. Quotations by the Supplier, Orders

- 2.1 The supplier shall be bound to their quotation for 3 months. The conditions and information stated in the supplier's quotation to FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG shall also apply for the subsidiaries/plants of FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG, a list of which can be obtained from the website of FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG at www.fraenkische.com. To the extent that the supplier's order confirmation deviates from the order, FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG shall only be bound if FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG has agreed to that deviation in writing. Any changes or additions to the order by the supplier shall only be effective if confirmed in writing by

FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG. The acceptance of goods and services which deviate from the order shall not constitute acceptance of the deviations.

- 2.2 FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG may cancel the order free of charge if the supplier fails to confirm it in writing within 2 weeks of receipt (order confirmation).
- 2.3 FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG introduced an energy management system in accordance with DIN EN ISO 50001. The efficient use of energy is an essential component of FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG' policy. In the procurement of goods, services, and facilities that have or can have an impact on the critical energy use, the valuation of the procurement is based in part on the energy-related performance (energy use, energy consumption, energy efficiency).
- 2.4 If order quantities and delivery dates are fixed in call-off orders, the following rules shall apply: The supplier must ensure the required capacities in order to be able to deliver the quantities including the forecast quantities from call-off orders. FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG' obligation to take delivery of call-off orders shall be limited:
- to two (2) weeks finished contractual product bindingly
 - an additional two (2) weeks finished contractual product bindingly with a flexibility of +/- 20 %
 - to an additional four (4) weeks raw material release,
- based continuously on the last call-off order. Any quantities exceeding these release periods shall be non-binding forecast quantities. In case of a discontinued requirement of FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG, the supplier shall be entitled to a refund claim only in the amount of the verified costs and only as far as this material cannot be used or utilised (sold) otherwise. Respective proceeds of the supplier must be credited against the refund claim. Individual agreements with the supplier are possible and take precedence. Furthermore, call-off orders are subject to the provisions of the supply contract.
- ## 3. Delivery Time, Delay
- 3.1 The delivery time stated in the purchase order (delivery date or period) is binding. The timeliness of deliveries shall depend on the receipt by the receiving office specified by FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG, the timeliness of performances shall depend on their acceptance. Premature deliveries shall only be

- permitted upon written consent by FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG.
- 3.2 In case of a perceptible delay in delivery or performance, FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG must be notified immediately. Acceptance of a delayed delivery or performance shall not constitute a waiver of claims for damages or any other claims by FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG.
 - 3.3 If the day on which the delivery must be made at the latest can be determined according to the calendar, the supplier shall be in default at the end of this day without requiring a reminder by FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG.
 - 3.4 In the case of late delivery, FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG may exercise all statutory rights, including the right of withdrawal and the right to damages instead of performance, after the expiry of a reasonable period of grace.
 - 3.5 FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG shall be entitled to demand a contractual penalty of 0.3 % of the respective order value for each working day of the delay in delivery, up to a maximum total penalty of 5 % of the order value. In case of a delay regarding intermediate deadlines, the penalty amount shall run up to 5 % maximum of the order value of the services to be provided by the intermediate deadline. The total amount of all contractual penalties under the contract shall be limited to 5 % of the order value of the entire contract. The penalty shall be deducted from the default damages payable by the supplier. FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG may claim the contractual penalty up to the final payment date.
 - 3.6 Partial and excess deliveries shall only be allowed upon written consent by FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG.
- #### 4. Passing of Risk, Shipping, Ownership
- 4.1 In the case of deliveries with installation and assembly as well as services, the risk shall pass upon acceptance; in the case of deliveries without installation or assembly, the risk shall pass upon receipt of the goods at the receiving office specified by FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG.
 - 4.2 Deliveries shall be effected: DAP (Incoterms 2010). The place of destination results from the supply agreement concluded between FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG and the supplier.
 - 4.3 The costs of insuring the goods shall only be taken over by FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG if explicitly agreed upon in writing.
 - 4.4 FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG objects to retention of title arrangements and reservation of title declarations of the supplier that go beyond simple retention of title.
 - 4.5 Materials ceded by FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG to the supplier for use shall remain the property of FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG. Equipment manufactured by the supplier for the purpose of processing the order of FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG shall become the property of FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG, provided that FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG reimburses the supplier for the development – pro rata, if applicable – or openly includes it in the price of the delivery/service. Such equipment shall be identified by the supplier as property of FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG, stored carefully, protected against damages of any kind, and may only be used for the purposes of the contract. The supplier shall always immediately notify FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG of all damages – even insignificant ones – to the items.
 - 4.6 The processing or transformation of provided materials by the supplier is for FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG only. If the provided materials are processed with other goods, FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG shall acquire joint ownership of a newly created object in proportion of the value of the provided materials to the other processed goods at the time of processing. If provided materials are inextricably mixed with other items not belonging to FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG, FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG shall acquire joint ownership of the new item in the ratio of the provided materials to the other items at the time of mixing. If the result of the mixing is that items provided by the supplier are to be considered – in relation to the materials provided by FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG – the main item, the supplier shall assign to FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG a pro rata co-ownership of the new item.
 - 4.7 Tools ceded by FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG to the supplier for use shall remain the property of FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG. These tools may only be used by the supplier for the production of the goods or services to be manufactured. Tools manufactured by the supplier for the purpose of processing the order of FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG shall become the property of FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG, provided that FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG reimburses the supplier for the development — pro rata, if applicable — or openly includes it in the price of the delivery/service. Such equipment shall be identified by the supplier as property of FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG, stored carefully, protected against damages of any kind, and may only be used for the purposes of the contract. The supplier shall bear the costs of maintenance and repair of these ceded tools – in absence of a different agreement – until the agreed quantity of items has been

manufactured with the tool. Provided that the tool then remains with the supplier and costs are attributable to shortcomings of such items manufactured by the supplier or to improper use by the supplier, its employees, or other vicarious agents, such costs shall be borne by the supplier as well. The supplier shall always immediately notify FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG of all damages – even insignificant ones – to the tools.

5. Payment

- 5.1 Payments shall only be made after receipt of the complete defect-free delivery or after full and faultless performance and after receipt of a proper invoice. Partial deliveries or partial performances shall only be paid if explicitly agreed upon beforehand in writing. An agreed right of the supplier to partial delivery or partial performance shall not be sufficient for this purpose. Payments or down payments shall not constitute recognition of the deliveries or performances as contractual.
- 5.2 Payments shall be made until the 14th day of the month following the delivery less a discount of 3 %, or net 60 days after delivery. If the above-designated 14th day of a month is a Saturday, Sunday, or a public holiday, the payment shall be made on the next working day. A cash discount shall also be allowed if FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG sets payments off against each other or retains payments due to defects.

6. Value and Cost Analysis

The supplier is obliged to conduct value and cost analyses in respect of all goods. They shall disclose all relevant costs in a detailed breakdown of costs and make this available to FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG. After consultation with FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG, the supplier shall provide qualified personnel for value and cost analysis activities.

7. Price Protection

Price increases shall only be possible with FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG' prior written consent. The same shall apply to the assertion of additional costs or expenses if these are not contractually agreed.

8. Competitiveness

- 8.1 FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG and the supplier agree that maintaining the competitiveness of the goods is of great importance for the supply relationship. The competitiveness of the goods shall be ensured if the goods correspond to comparable goods of competitors in terms of price and technology.
- 8.2 If FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG is offered a comparable product at more competitive conditions, FRÄNKISCHE Rohrwerke

Gebr. Kirchner GmbH & Co. KG shall inform the supplier in writing about this and set an appropriate time limit for restoring full competitiveness of the goods.

- 8.3 The supplier shall promptly draw up a catalogue of measures that they will implement in order to restore the competitiveness of the goods and provide this to FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG with a revised quotation. With their revised quotation, the supplier shall ensure the competitiveness of the goods within the appropriate time limit set by FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG.
- 8.4 The parties agree that the obligation to maintain competitiveness in accordance with this Section 6 is an essential duty of the supply contract.

9. Changes in the Supplier Portfolio, Spare Parts

- 9.1 If the supplier intends to discontinue products or product parts, FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG shall be informed thereof immediately and without request. FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG must be informed 6 months prior to discontinuation at the latest. In this case, FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG shall be entitled to a covering purchase with regard to the affected products. The price for the products of the covering purchase shall be the price agreed last between the parties. There is no limitation with regard to the quantity of products that can be acquired by FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG within the scope of the covering purchase.
- 9.2 The supplier undertakes – regardless of the period of supply – to supply us for a period of 15 years after termination of the supply in sufficient quantity with goods at market-conform prices for the use as spare parts. The supply of products to be used in the rail engineering industry shall be subject to a term of 35 years. The parties are free to agree a shorter period for the supply of these spare parts. Even during serial delivery, the supplier shall ensure the supply of spare parts; in this case the prices shall correspond to the last agreed serial prices.

10. Warranty, Recourse

- 10.1 Contrary to Section 438 (1) No. 3 and Section 634a (1) No. 1 of the German Civil Code (BGB), the warranty period shall end 3 years after the passing of risk. If the supplier themselves has provided or offered a longer warranty period or the application of the VOB/B (“Vergabe- und Vertragsordnung für Bauleistungen”, German Construction Tendering and Contract Regulations) has been agreed upon – even in parts –, this Subsection 7.1 sentence 1 shall not apply.
- 10.2 Acceptance of the delivery/performance shall be subject to the examination for faultlessness. FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG' obligation to timely inspect and give notice of defects shall be restricted to the identity of the delivery/service, the packaging, to external damage, and transport damage. In any event, a

complaint regarding defects shall be deemed to be made in good time if FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG informs the supplier within 10 working days of receipt of the goods by FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG. For hidden defects, the legal regulations shall apply. By accepting or approving provided specimens or samples, FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG does not waive any warranty claims. Upon receipt of the written notice of defects at the supplier's, the limitation of warranty claims shall be suspended.

- 10.3 If it is not possible to set the supplier a time limit for supplementary performance due to urgency in order to avert imminent danger or to avoid major damage, FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG shall be entitled to carry out the supplementary performance by themselves or have it done by a third party at the expense of the supplier without having set a time limit.
- 10.4 In the event of supplementary performance by delivery of flawless goods or new production of the work, the limitation of warranty claims with respect to the supplementary delivery/performance shall begin anew upon the passing of risk (Subsection 3.1), unless FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG had to assume – in view of the supplier's behaviour – that the supplier did not feel obliged to measure themselves, but the supplementary delivery or removal of defects was only a gesture of goodwill or similar reasons. The same shall apply to the removal of defects, provided that the value of the removal of defects is 65 % or more in relation to the agreed price of the object of delivery/performance.
- 10.5 If costs incurred by FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG as a result of the defective delivery/performance, in particular transport, travel, labour, material costs, or costs that exceed the usual extent of the receiving inspection, the supplier shall bear these costs, too.
- 10.6 FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG shall reserve the right of recourse against the supplier if FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG takes back manufactured and/or sold goods due to defects in the delivery/performance or if the purchase price was therefore reduced by their own customers, if FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG has been charged therefore in any other way by their own customers, other contractors, or third parties, or if FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG therefore adjusts claims by their own customers, other contractors, or third parties to avoid disputes.
- 10.7 FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG shall be entitled to demand compensation from the supplier with regard to expenses that were borne by FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG in relation to claimants,

to the extent that these claim compensation for the expenses necessary for the purpose of supplementary performance, in particular transport, travel, labour, and material costs.

11. Product Liability

- 11.1 The supplier shall be responsible for all third-party claims asserted for personal injury or property damage caused by a defective product supplied by it, and shall be obliged to indemnify FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG from the resulting liability. If FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG is obliged to conduct a recall against third parties due to a defect in a product delivered by the supplier, the supplier shall bear all costs associated with the recall.
- 11.2 The supplier shall be obliged to maintain at their own expense a product liability insurance with adequate coverage. On FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG's request, the supplier shall submit a copy of the liability insurance policy at any time.

12. Substances in products/raw materials/materials/packaging

- 12.1 The supplier warrants that they fulfil the requirements of the EU chemicals regulation REACH (Regulation (EC) No. 1907/2006, published on December 30, 2006) as amended – hereinafter referred to as "REACH Regulation" – and in particular that the registration of all substances has been made in accordance with the SVHC list.
- In addition, the supplier warrants not to supply products including their packaging material that contain substances according to the following:
- the REACH Regulation as amended;
 - Commission Decision 2006/506/EC (Stockholm Convention on Persistent Organic Pollutants) as amended;
 - Regulation (EC) 1005/2009 on Ozone Depleting Substances as amended;
 - the Global Automotive Declarable Substance List (GADSL) as amended (at www.gadsl.org)
 - RoHS (2002/95/EC) for products according to their area of application.
- 12.2 If the goods supplied contain substances included in the "Candidate List of Substances of very High Concern" ("SVHC list") in accordance with the REACH Regulation, the supplier shall disclose this without delay. This also applies if not yet listed substances are included in this list in the course of ongoing deliveries. The latest list is available at <http://echa.europa.eu/web/guest/candidate-list-table>.
- 12.3 In addition, the products and their packaging must not contain asbestos, biocides, and radioactive material. If these substances are contained in the products delivered to FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG, FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG shall be notified in writing prior to delivery, stating the substance and identification number, and provided with a current safety data sheet regarding the

product to be delivered. The delivery of these products shall require separate approval by FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG.

- 12.4 The supplier shall be obliged to indemnify FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG from any liability in connection with the supplier's failure to comply with the above-mentioned regulations or to compensate FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG for damages that arise at FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG as a result of the supplier's non-compliance with the regulations or that are associated with the non-compliance.

13. Use of "Conflict Minerals" Concerning Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act)

The supplier is aware of their social responsibility with regard to the environment, safety, health, and human rights, and understands that their business behaviour has an impact on society and the environment. To ensure a peaceful, fair, and sustainable use of our global resources, the supplier warrants to the following:

All products of the supplier neither directly nor indirectly contain conflict minerals from mines that are funded or sponsored by armed groups in the Democratic Republic of Congo or neighbouring countries (Angola, Burundi, Rwanda, Zambia, Sudan, Tanzania, Uganda, and the Central African Republic). The Dodd-Frank Act specifically refers to tin, tantalum, tungsten, columbite, gold, and derivatives thereof, mined in the above sources.

14. Assignment, Set-Off, Retention

- 14.1 The assignment of claims against FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG shall only be permitted upon their written consent.
- 14.2 The customer may only offset claims against FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG or exercise a right of retention if such claims are acknowledged, legally established, or ready for decision.
- 14.3 FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG shall be entitled to offset all claims of any kind against all claims by the supplier and their companies, even if the claims have different maturities.

15. Confidentiality, Intellectual Property Rights

- 15.1 The supplier shall be obliged to keep confidential all commercial and technical details associated with the orders and contracts as well as all information on business operations of FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG that are usually not accessible to third

parties, and to not exploit the details and information themselves.

- 15.2 The supplier warrants that the delivery and use of the purchased articles does not harm the intellectual property rights of third parties. The presence of an intellectual property right must not be withheld from FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG.

- 15.3 Any tools, moulds, samples, models, profiles, drawings, artwork, gauges, and the like ceded by FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG for use as well as subsequently manufactured products may be neither reproduced nor disclosed to third parties nor used for purposes other than the contractual purposes without the written consent of FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG. The aforementioned moulds, samples, drawings, etc. shall remain the property of FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG. They shall be returned automatically without request to FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG if no order is placed or when a placed order has been completed.

16. Product- and Process-Related Characteristics Compliance, Human Rights, Occupational Health and Safety, Environmental Protection

- 16.1 The supplier shall be obliged to comply with all product- and process-related special characteristics and all laws and regulations that are relevant to them and to their business relationship with FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG (compliance), and to pass these on in the supply chain. The supplier shall be obliged to not take any action or to refrain from any action that may lead to criminal liability for fraud or embezzlement, insolvency crimes, crimes against competition, granting an advantage, or corruption regarding people working for the supplier or other third parties in the manufacturing country, in the country of the registered office of the recipient, and in the country where the contractual products are used and applied if the supplier has been informed about this by FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG. Actions of persons active at the supplier's or for the supplier shall be attributed to the supplier where such persons are acting within the scope of responsibilities of the supplier. The supplier must pass on compliance with the requirements of this paragraph in the supply chain.
- 16.2 The supplier shall commit to the observance of human rights and social standards in their environment in accordance with Section 3 and to respect the environment and to refrain from measures that are inconsistent with these objectives and to avoid them where possible. The supplier shall inform FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG immediately without further request of all violations of the above provisions also by their own suppliers.
- 16.3 The supplier shall strive for complying with decent working conditions in their environment by way of

reasonable limitation of working hours and observance of minimum wages and health protection and refrain from violating these (social standards). In particular, the seller shall take action against child labour and forced labour.

- 16.4 The supplier shall commit to complying with the laws designed to protect the environment and to taking measures to protect the environment. Each delivery shall be made in packaging appropriate to the product, as agreed with FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG and in compliance with relevant environmental regulations. With regard to the environment, the supplier must always choose an environmentally friendly form of packaging and use returnable packaging (euro-pallet).

17. Final Provisions

- 17.1 The place of performance for all goods and services shall be Königsberg in Bavaria, Germany.
- 17.2 The exclusive place of jurisdiction shall be Königsberg in Bavaria, Germany. However, FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG may sue the supplier at their general place of jurisdiction or at any other place of infringement.
- 17.3 The laws of the Federal Republic of Germany shall apply, excluding the United Nations Convention on the International Sale of Goods of 11 April 1970 and the conflict of laws regulations. If the supplier is not domiciled within the Federal Republic of Germany, FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG can also assert the law that applies at the supplier's domicile or the law of the place of infringement.
- 17.4 These General Terms and Conditions of Purchase shall remain binding in general even in the case of legal invalidity of individual provisions.

18. Data protection

- 18.1 The supplier undertakes to comply with the applicable data protection regulations, in particular the provisions of the General Data Protection Regulation (GDPR) and the German Federal Data Protection Act (Bundesdatenschutzgesetz (BDSG)), when performing the contractual service as a controller or processor. Without prejudice to the other provisions in this section, the supplier is responsible for the lawful use of the personal data provided by us to the supplier to perform the contractual services. The supplier is also responsible for compliance with the formal data protection regulations (e.g., designating a data protection officer, carrying out a data protection impact assessment, keeping records of processing activities).
- 18.2 The supplier undertakes to process the personal data provided by us to the supplier exclusively in a lawful and transparent manner, in good faith and solely for the performance of contractual services. Any further use of the data, particularly for the supplier's own purposes or for purposes of third parties, is inadmissible. Furthermore, the supplier shall limit the processing in terms of content and

time to what is absolutely necessary and ensure accuracy, integrity and confidentiality of the data.

- 18.3 The supplier undertakes to take technical and organizational measures to the extent provided for in the applicable data protection regulations to safeguard the confidentiality, availability, integrity and authenticity of the personal data provided by us to the supplier. This undertaking also includes measures to ensure data protection by design and by default.
- 18.4 The supplier undertakes to employ for the performance of the contractual services only employees who have been familiarised – by taking appropriate measures – with the statutory data protection regulations and the special data protection requirements of our orders and contracts and – if they are not already subject to appropriate statutory obligations of confidentiality – have been sworn comprehensively and in writing to confidentiality and data protection (formerly data secrecy).
- 18.5 If the processing of personal data takes place as processing on behalf of the controller, the parties shall conclude an agreement on the processing of personal data on behalf of the controller in accordance with the legal provisions in Art. 28 GDPR.

**Addendum to the
General Terms and Conditions of Purchase (as of:
4/2018)**

**Special Provisions for the Purchase of Machinery
and Equipment**

These special provisions form an addendum to the General Terms and Conditions of Purchase and shall apply to all orders and the purchase of machinery and equipment. To the extent that changes are made to the General Terms and Conditions of Purchase in the following sections, these shall have priority over the General Terms and Conditions of Purchase. All other provisions of the General Terms and Conditions of Purchase shall remain unaffected.

3. Delivery Time, Delay

3.1 sentence 2 is changed as follows:

The timeliness of deliveries shall depend on the receipt by the receiving office specified by FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG; the timeliness of deliveries/performances shall depend on their acceptance.

4. Passing of Risk, Shipping, Ownership

4.1 is changed as follows:

In case of deliveries/performances with assembly and installation, the risk shall pass upon acceptance by FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG. A formal acceptance is required, which shall be executed within 2 weeks after completion of the delivery/performance and written notification of completion to FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG. An acceptance protocol shall be set up. For deliveries without assembly or installation, the risk shall pass upon arrival of the delivery at the receiving office specified by FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG.

5. Payment

5.2 is changed as follows:

The terms of payment shall be agreed separately between the two contracting parties and included in the order. Just in case no terms of payment are included in the order or these are incomplete, 5.2 of the General Terms and Conditions of Purchase shall apply.

6. Value and Cost Analysis

This provision does not apply and is deleted.



Addendum to the General Terms and Conditions of Purchase (as of: 4/2018)

Special Provisions for Orders and the Purchase of Services

These special provisions form an addendum to the General Terms and Conditions of Purchase and shall apply to all orders and the purchase of services. To the extent that changes are made to the General Terms and Conditions of Purchase in the following sections, these shall have priority over the General Terms and Conditions of Purchase. All other provisions of the General Terms and Conditions of Purchase shall remain unaffected.

6. Value and Cost Analysis

This provision does not apply and is deleted.

8. Competitiveness

Provisions 8.1–8.4 do not apply and are deleted.

10. Warranty, Recourse

10.1 is changed as follows:

A limitation period of three years as of acceptance of the services rendered shall apply, unless longer periods are required by law or have been offered by the service provider.

10.2 sentence 3 is changed as follows:

For hidden deficiencies regarding the service, the regulations of Section 377 German Commercial Code (HGB) shall apply.

10.2 sentence 5 is changed as follows:

Upon receipt of the written notice of defects at the service provider's, the limitation of claims for defects shall be suspended.

10.3 is changed as follows:

If, in case of poor performance, it is not possible to set the service provider a time limit for supplementary performance due to urgency in order to avert imminent danger or to avoid major damage, FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG shall be entitled to carry out the supplementary performance by themselves at the expense of the service provider without having set a time limit.

10.4 is changed as follows:

If the service is provided again as part of supplementary performance, the limitation shall begin anew, unless FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG had to assume – in view of the service provider's behaviour – that the service provider did not feel obliged to the measure, but felt the supplementary performance was only a gesture of goodwill or similar reasons.

10.6 is changed as follows:

If FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG has been charged by their own customers, other contractors, or third parties in any other way due to the poor service performance or if FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG therefore adjusts claims by their own customers, other contractors, or third parties to avoid disputes, FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH &

Co. KG shall reserve the right of recourse against the service provider.

10.7 is changed as follows:

FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG shall be entitled to demand compensation from the service provider with regard to expenses that were borne by FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG in relation to claimants, to the extent that these claim compensation for the expenses necessary for the purpose of supplementary performance, in particular transport, travel, labour, and material costs.

11. Product Liability

11.2 is changed as follows:

The service provider shall be obliged to maintain at their own expense a liability insurance with adequate coverage. On FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG's request, the service provider shall submit a copy of the liability insurance policy at any time.

The following provisions shall apply additionally:

19. Confidentiality, Intellectual Property Rights

19.1 The service provider shall be obliged to keep confidential all commercial and technical details associated with the orders and contracts as well as all information on business operations of FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG that are usually not accessible to third parties, and to not exploit the details and information themselves.

19.2 The service provider warrants that intellectual property rights of third parties are not infringed by the service performed. The presence of an intellectual property right must not be withheld from FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG.

19.3 Any documents and the like ceded by FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG for use must not be reproduced nor disclosed to third parties nor used for purposes other than the contractual purposes without written consent by FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG. The aforementioned documents shall remain the property of FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG. They shall be returned automatically without request to FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG if no service order is placed or when a placed service order has been completed.

20. Provisions Regarding the Minimum Wage Act (MiLoG)

20.1 The supplier confirms and warrants that they shall strictly comply with the provisions regarding minimum wages in accordance with the Minimum Wage Act (MiLoG) within their company. Furthermore, the supplier warrants that they shall insist on strict compliance with the Minimum Wage Act (MiLoG) also with respect to their contractors, and that they shall

obtain corresponding written confirmation of such compliance with MiLoG.

- 20.2 In order to ensure the supplier's compliance regarding the minimum wage provision, FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG shall have the right of access and control and the right of consent with regard to the assignment of contractors.
- 20.3 The supplier represents that they are not excluded from the award of public contracts.
- 20.4 In case services will be provided in the economic sectors or industries stated in Section 2a of the German Control of Unreported Employment Act, the following shall apply: Upon request by FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG, the supplier shall be obliged to provide proof regarding the payment of minimum wages by the supplier and their contractors, if any, at any time for the last two years relevant with regard to the record requirement in accordance with Section 17 MiLoG. This proof shall be provided by presenting the corresponding records regarding the hours worked and the wages paid for this purpose. Moreover, upon request by FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG, the supplier shall allow inspection by FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG of the relevant (anonymised) payrolls.
- 20.5 In the event of violation, the supplier undertakes to pay an appropriate contractual penalty to FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG. The amount of the contractual penalty shall be determined by FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG using equitable discretion and may be reviewed by the competent court in case of disputes.
- 20.6 In the event of charges by third parties against FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG due to Section 13 MiLoG in connection with Section 14 of the German law on posting of workers (AEntG), the supplier shall keep FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG indemnified against all claims including the costs for legal defence upon the first written request. The assertion of any further claims shall remain reserved.
- 20.7 If the supplier violates the provisions stated herein, FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG shall be entitled to terminate the contractual relationship for cause without observing any notice period. This shall also apply to cases of violation of the agreed obligations to produce proof on the part of the supplier.

**Addendum to the
General Terms and Conditions of Purchase (as of:
4/2018)**

**Special Provisions for Orders and the Purchase of
Raw Materials**

These special provisions form an addendum to the General Terms and Conditions of Purchase and shall apply to all orders and the purchase of raw materials. To the extent that changes are made to the General Terms and Conditions of Purchase in the following sections, these shall have priority over the General Terms and Conditions of Purchase. All other provisions of the General Terms and Conditions of Purchase shall remain unaffected.

4. Passing of Risk, Shipping, Ownership

4.5 does not apply and is deleted.

4.6 does not apply and is deleted.

6. Value and Cost Analysis

Provision 6 does not apply and is deleted.

8. Competitiveness

Provisions 8.1–8.5 do not apply and are deleted.

