

General Terms & Conditions of Purchase

1. General Information

- 1.1 These General Terms and Conditions of Purchase shall apply to all orders, deliveries, services, and payments from and to FRÄNKISCHE Industrial Pipes GmbH & Co. KG and all direct and indirect subsidiaries (hereinafter: "FIP") in business transactions with companies. The current version of these General Terms and Conditions of Purchase can be accessed and downloaded at any time from the FIP homepage at <https://www.fraenkische-ip.com/de-DE/terms>. They are part of all contracts concluded between FIP and its suppliers regarding the goods or services offered by them. They also apply to all future goods, services, or offers to FIP, 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, FIP will only be bound to the supplier's general terms and conditions insofar as these are in compliance with the latest version of FIP's General Terms and Conditions of Purchase or if FIP has consented to the supplier's general terms and conditions in writing. Even if FIP 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 FIP regarding orders take precedence.

2. Quotations by the Supplier, Orders

- 2.1 The supplier shall be bound to its quotation for 3 months. The conditions and information stated in the supplier's quotation to FIP shall also apply to all direct and indirect subsidiaries of FRÄNKISCHE Industrial Pipes GmbH & Co. KG. To the extent that the supplier's order confirmation deviates from the order, FIP shall only be bound if FIP 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 FIP. The acceptance of goods and services which deviate from the order shall not constitute acceptance of the deviations.
- 2.2 FIP 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 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. FIP has the following purchase commitment:

- 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 FIP, 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 utilized (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 FIP, the timeliness of performances shall depend on their acceptance. Premature deliveries shall only be permitted upon written consent by FIP.
- 3.2 Should a delay in delivery or performance of service be foreseeable, FIP shall be notified without delay. Acceptance of a delayed delivery or performance of service shall not constitute a waiver of claims for damages or any other claims by FIP.
- 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 FIP.
- 3.4 In the case of late delivery, FIP 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 FIP 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. FIP may claim the contractual penalty up to the final payment date.
- 3.6 Partial and excess deliveries shall only be permitted with FIP's written consent.

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 FIP.

- 4.2 Deliveries shall be effected: DAP (Incoterms 2010). The place of destination results from the supply agreement concluded between FIP and the supplier.
- 4.3 Insurance costs for the goods will only be covered by FIP upon express written agreement.
- 4.4 FIP objects to retention of title arrangements and reservation of title declarations of the supplier that go beyond simple retention of title.
- 4.5 Any supplies or tools provided by FIP to the supplier shall remain the property of FIP. Equipment manufactured by the supplier for the purpose of processing the order of FIP shall become the property of FIP, provided that FIP reimburses the supplier for the development – pro rata, if applicable – or expressly includes it in the price of the delivery/service. Such equipment shall be identified by the supplier as property of FIP, stored carefully, protected against damages of any kind, and may only be used for the purposes of the contract. If the supplier acts contrary to this, FIP shall be entitled to assert a contractual penalty in the amount of 20 % of the value of the supplies. FIP also reserves the right to claim another damage. The supplier is also permitted to provide proof that a lesser damage than the one asserted or no damage at all arose. The supplier shall always immediately notify FIP of all damages – even insignificant ones – to the items.
- 4.6 Any processing or modification of the supplies provided by supplier shall only be done for FIP. If the provided materials are processed with other goods, FIP 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 the supplies provided are inextricably combined with other goods that do not belong to FIP, FIP shall have co-ownership in the newly created item, based on the ratio of the supplies provided and the other goods at the time of combination. Should the combination result in supplier's goods being considered the main item as compared to the supplies provided, the supplier shall transfer proportionate co-ownership in the newly created item to FIP.
- 4.7 Any tools provided by FIP to the supplier shall remain the property of FIP. 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 FIP shall become the property of FIP, provided that FIP reimburses the supplier for the development – pro rata, if applicable – or expressly includes it in the price of the delivery/service. Such equipment shall be identified by the supplier as property of FIP, 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 FIP 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 no later than the 14th day of the month following the month of the delivery with a 3 % discount for prompt payment, or 60 days net. 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 discount shall also be allowed if FIP sets off one outstanding balance against the 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 FIP. After consultation with FIP, the supplier shall provide qualified personnel for value and cost analysis activities.

7. Price Protection

Price increases shall only be possible with FIP's 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 FIP 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 FIP is offered a comparable product at more competitive conditions, FIP 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 FIP with a revised quotation. With their revised quotation, the supplier shall ensure the competitiveness of the goods within the appropriate time limit set by FIP.
- 8.4 The parties agree that the obligation to maintain competitiveness in accordance with this Section 8 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, FIP shall be informed thereof immediately and without being asked. FIP must be informed 6 months prior to discontinuation at the latest. In this case, FIP 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 FIP within the scope of the covering purchase.
- 9.2 The supplier undertakes – regardless of the period of supply – to supply FIP 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 10.1 sentence 1 shall not apply.
- 10.2 Acceptance of the delivery/service shall be subject to inspection for the absence of defects. FIP's obligation to timely inspect and give notice of defects shall be restricted to the identity of the delivery/service, the packaging, external damage (sample test for loose items; in case of connected goods to an inspection of the visible sections). In any event, a complaint regarding defects shall be deemed to be made in good time if FIP informs the supplier within 10 working days of receipt of the goods by FIP. For hidden defects, the legal regulations shall apply. By accepting or approving provided specimens or samples, FIP 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, FIP shall be entitled to carry out the supplementary performance 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 4.1), unless FIP had to assume – in view of the supplier's behavior – that the supplier did not feel obliged to the 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 disproportionately high in relation to the agreed price of the object of delivery/performance.
- 10.5 If FIP incurs any costs due to a defective delivery/service, including but not limited to transport costs, travel expenses, labor costs, material costs or costs for incoming goods inspections beyond the usual scope, the supplier shall bear these costs as well.
- 10.6 FIP reserves the right of recourse against the supplier if FIP 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 FIP has been charged therefore in any other way by their own customers, other contractors, or third parties, or if FIP therefore adjusts claims by their own customers, other contractors, or third parties to avoid disputes.
- 10.7 FIP is entitled to demand compensation from the supplier with regard to expenses that were borne by FIP 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, labor, and material costs.

- 10.8 If the parties have a dispute regarding the existence and/or inexistence of a material defect, an expert arbitrator will decide the controversial subject. The initiation of legal proceedings about the dispute and associated legal claims is only possible after the arbitration opinion is available. The parties shall reach an agreement on the person of the expert arbitrator within two weeks after the written request by one party. If no agreement can be reached within this period, the expert arbitrator will be appointed by the competent Chamber of Commerce and Industry following the written request of one party. The expert arbitrator must be a publicly appointed expert for the relevant area who is independent and impartial.

The arbitration opinion is prepared in writing and is binding for the parties. A court control shall only take place within the framework of Section 319 German Civil Code (BGB). Each party has the right to provide the expert arbitrator with a written summary of their view of the dispute for the preparation of the expert opinion within four weeks after the written placement of the order. The expert arbitrator shall hold at least one hearing for the oral discussion of the dispute in which the parties and their advisors can participate. The costs and expenditures of the expert arbitrator shall be equally borne by both parties. Own costs arising within the context of the arbitration opinion, e.g., for lawyers, shall be borne by each party themselves.

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 FIP from the resulting liability. If FIP 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 FIP's request, the supplier shall submit a copy of the liability insurance policy at any time.

12. Substances in Products/Raw Materials/Materials/Packaging, Chemicals, Waste

- 12.1 The supplier warrants that it fulfills the requirements of the EU chemicals regulation REACH (Regulation (EC) No. 1907/2006, published on 30 December 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. The supplier also warrants that it will comply with the Toxic Substances Control Act 1976 (TSCA), last updated by the Frank R. Lautenberg Chemical Safety for the 21st Century Act in 2016, as amended. In addition, the supplier warrants that they will comply with the requirements of California Proposition 65 and the TSCA, as amended, for products that are themselves used for export to the United States and for products whose processing result is used for export to the United States.
- 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;
 - the Toxic Substances Control Act of 1976, as amended

- Regulation (EC) 2019/1021 of the European Parliament and of the Council of June 20, 2019 regarding persistent organic pollutants (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)
 - Directive 2011/65/EU of the European Parliament and of the Council of June 08, 2011 on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS) as amended
 - the Minamata Convention on Mercury of 10 October 2013 on the prohibition of the use of mercury and mercury compounds in manufacturing processes and on the treatment of mercury-containing waste ("Minamata Convention on Mercury"). If the goods supplied contain substances included in the "Candidate List of Substances of Very High Concern" ("SVHC list") pursuant to the REACH Regulation, the supplier shall disclose this without delay. This also applies if substances that are not yet listed are included in this list in the course of ongoing deliveries. The latest list is available at <https://echa.europa.eu/candidate-list-table/-/substance>.
- 12.2 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 FIP, FIP 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. Delivery of such products requires a special approval by FIP.
- 12.3 The supplier shall ensure that it handles waste in accordance with the legal provisions on the prohibition, export, and import, and handling of hazardous waste of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal of 22 March 1989 (Basel Convention) and EC Regulation (EC) No. 1013/2006 on shipments of waste, as amended.
- 12.4 The supplier is obliged to indemnify FIP from any liability in connection with the supplier's failure to comply with the above-mentioned regulations or to compensate FIP for damages that arise at FIP 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 behavior 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 neighboring 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 FIP shall only be permitted upon their written consent.
- 14.2 The customer may only offset claims against FIP or exercise any right of retention if such claims are acknowledged, legally established, or ready for decision.
- 14.3 FIP is 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 is obliged to keep confidential all commercial and technical details associated with the orders and contracts as well as all information on business operations of FIP 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 goods do not infringe or violate the intellectual property rights of third parties. The supplier must not conceal from FIP the existence of any intellectual property right.
- 15.3 Any tools, molds, samples, models, profiles, drawings, master copies, templates and similar material provided by FIP and items manufactured based on such material may not be reproduced, disclosed to third parties, or used for any purpose other than fulfilling the obligations arising out of and under this Agreement. The above molds, samples, drawings, etc. remain the property of FIP. They shall be returned to FIP without being requested to do so 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 is 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 FIP (compliance), and to pass these on in the supply chain. The supplier shall be obliged to not take any action and 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 Germany, or in the country where the contractual products are used and applied if the supplier has been informed about this by FIP. Actions of persons active at the supplier's or for the supplier are 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 is obliged to comply with the following human and social rights and to ensure that these human and social rights are not violated by the business activities, actions, and omissions of the supplier and its subcontractors:

- (1) The supplier shall create appropriate and positive labor conditions for its employees. The supplier shall ensure that employees are protected from physical punishment, physical, sexual, psychological, or verbal harassment or abuse at their workplace. The supplier shall actively ensure that no such offenses are committed within the workforce.
- (2) No employee may be discriminated against directly or indirectly in connection with their employment relationship, in particular with regard to recruitment, remuneration, access to training and further training, promotion, dismissal, or retirement, due to their race, social status (caste), origin (minorities, indigenous origin), religion, age, disability, gender, marital status, sexual orientation, trade union membership, or free democratic political convictions. In addition, the supplier must actively ensure that discriminatory behavior among employees in the supplier's company is prohibited.
- (3) The supplier shall ensure a safe working environment and observe the applicable legal standards with regard to health and safety in the workplace. The supplier shall take preventive measures to prevent accidents at work, taking into account the hazardous nature of the specific workplace. This includes, in particular
 - compliance with safety standards in the provision and maintenance of the worksite, the workplace, and the work equipment,
 - taking suitable protective measures to avoid the effects of chemical, physical, or biological substances,
 - the implementation of measures to prevent excessive physical and mental fatigue, in particular through appropriate work organization with regard to working hours and rest breaks, and
 - adequate training and instruction of employees.

When commissioning or using private or public security forces, suppliers must make sure that they are adequately instructed and monitored, that they comply with applicable legal regulations, and that their actions and omissions respect, in particular, the prohibition of torture and cruel, inhumane, or degrading treatment, that life and limb are not harmed and that freedom of association and union are not impaired.

- (4) The supplier respects the freedom of association in the company environment and the right of employees to collective bargaining.

The supplier respects the right of its employees to join a trade union or to form a trade union themselves. The right to conduct collective bargaining and other wage negotiations is also recognized. Members of employee organizations or trade unions are neither to be favored nor disadvantaged. The supplier shall avoid any discrimination against employee representatives and enable them to fulfill their function.
- (5) The supplier respects the United Nations regulations on human rights and children's rights. In particular, in accordance with Convention 138 of the International Labour Organization ("ILO"), the supplier shall not employ workers under the age of 15 or, in countries covered by the relevant ILO exemption, under the age of 14. Furthermore, in accordance with ILO Convention 182, young workers under the age of 18 must not be employed

in hazardous work that is prohibited by law for this age group or that jeopardizes their health, safety, or morals. Effective mechanisms for determining age shall be integrated into the recruitment process to prevent child labor. Where national regulations on child labor prescribe stricter standards, these shall take precedence.

- (6) The supplier guarantees that any form of forced labor, in particular within the scope of ILO Convention 29, or involuntary work within the scope of its activities will be avoided. It shall neither use nor participate in forced labor nor tolerate it in its business environment. All workers shall be free to leave their employer with appropriate notice.
- (7) The supplier shall make sure that no forms of slavery, practices similar to slavery, servitude, or other forms of domination or oppression, such as extreme economic or sexual exploitation and humiliation, take place in the workplace environment.
- (8) The supplier shall make sure that the relevant laws on working hours are complied with and that the permitted working hours are not exceeded in its operations. Working hours and overtime shall be limited to a level that ensures humane, safe, and productive working conditions.
 - Furthermore, the supplier undertakes to comply with the applicable wage and remuneration regulations, e.g., the Minimum Wage Act or comparable laws, worldwide.
- (9) The supplier shall ensure that its business activities do not cause any harmful soil changes, water pollution, air pollution, harmful noise emissions, or excessive water consumption, which
 - significantly impair the natural basis for the preservation and production of food,
 - deny a person access to safe drinking water,
 - impede or destroy a person's access to sanitary facilities, or
 - harm a person's health.

16.3 The supplier will 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 supplier will take action against child labor and forced labor.

16.4 The supplier commits 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 FIP and in compliance with relevant environmental regulations. With regard to the environment, the supplier shall always choose an environmentally friendly form of packaging.

16.5 The supplier must be certified according to the DIN EN ISO 50001 energy management system and the ISO 14001 environmental management standard and maintain the respective certifications. The respective certifications shall be furnished to FIP upon request. The efficient use of energy is an essential component of FIP's company 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).

17. ESG Legally Protected Interests, Corporate Due Diligence, Risk Management in Human Rights and Environmental Protection, Legal Consequences for the Business Relationship

17.1 The supplier undertakes to comply with the obligations under Sections 12, 13, and 16 ("ESG legally protected interests") and to ensure that its business activities, actions, and omissions do not create any risk of violating human and environmental rights.

17.2 If the supplier has reason to believe, suspects, or becomes aware of a violation or the risk of violating an ESG legally protected interest by itself or its direct or indirect suppliers, it will inform FIP immediately.

The supplier shall create appropriate facilities allowing it to recognize a risk or an infringement of an ESG legally protected interest.

Upon request, the supplier will immediately provide FIP with all information necessary for FIP to assess

- (1) possible risks of violations of ESG legally protected interest by the supplier and its subcontractors;
- (2) the consequences of possible breaches of ESG legally protected interest by the supplier and its subcontractors;
- (3) the supplier's realization of obligations to cooperate in accordance with Section 17.3.

17.3 The supplier shall take suitable measures as per specification by and in coordination with FIP to ensure that the risk of a violation of ESG legally protected interests in the supplier's business field is minimized ("preventive measures"). If a violation of an ESG legally protected interest has occurred, the supplier shall, in consultation with FIP, eliminate the consequences and take remedial action to remedy the violation of the ESG legally protected interest and avoid it in the future ("remedial measures").

17.4 The supplier shall grant FIP and its authorized representatives the opportunity to carry out inspections to the extent necessary, in particular in the form of information, interviews, and audits of the supplier, the right to inspect all relevant documents of the supplier, and the right to enter and inspect company premises, business premises and commercial buildings of the companies during normal business or operating hours.

In the event of substantiated indications of significant violations, FIP is also authorized to request detailed information and to inspect compliance on site without prior notice.

17.5 If FIP establishes itself or on the basis of investigations or inspections by third parties (e.g., authorities, NGOs) that the supplier has not properly, in particular not completely and truthfully, complied with the obligations to procure and provide information in accordance with Section 17.2, the supplier shall be obliged to procure the necessary information immediately and at its own expense and to provide it to FIP.

17.6 If FIP establishes itself or on the basis of investigations or inspections by third parties (e.g., authorities, NGOs) that the supplier has not complied with its duties to cooperate, in particular the implementation of preventive and remedial measures, in full and on time,

the supplier shall be obliged to implement the measures immediately and at its own expense.

17.7 The supplier shall bear all costs incurred by FIP as a result of the supplier violating an ESG legally protected interest or failing to comply with its obligations arising from this Section 17, in particular the duties specified in Section 17.1. The supplier shall indemnify FIP against all claims incurred by FIP as a result of such a breach of duty by the supplier.

If FIP establishes in the course of an inspection within the meaning of Section 17.4 that the supplier has violated an ESG legally protected interest or has not fulfilled the obligations arising from this Section 17, the supplier shall also bear all costs incurred and arising from this (in particular the costs of the audit and requalification or certification).

17.8 In the event of violations of ESG legally protected interests and breaches within the meaning of Sections 17.5 and 17.6, FIP shall be entitled to suspend the business relationship with the supplier temporarily and shall be released from all contractual obligations towards the supplier until the supplier has fully remedied the breach in accordance with Sections 17.1 and 17.2. During this period, FIP shall be entitled to carry out the deliveries and services of the supplier itself or to procure them from another supplier; the supplier shall bear all costs incurred by FIP as a result.

17.9 If the supplier does not remedy a violation within the meaning of Sections 17.5 or 17.6 within a period set by FIP, FIP shall be entitled to terminate the business relationship with the supplier, including all existing contracts, within a reasonable period.

If the supplier seriously violates the provisions and obligations of Section 17, FIP shall be entitled to terminate the business relationship with the supplier, including all existing contracts, without notice. A serious violation shall be deemed to exist in particular in the event of intentional, negligent, or – irrespective of fault – repeated violations of ESG legally protected interests or violations of the provisions and obligations of Section 17 by the supplier and if FIP establishes that even the fulfillment of the obligations arising from Section 17 by the supplier does not lead to the risk of violations of ESG legally protected interests being minimized.

18. Data Protection, Information Security and TISAX

18.1 The supplier undertakes to comply with the relevant data protection provisions, especially the provisions of the General Data Protection Regulation (GDPR) and the German Data Protection Act (*Bundesdatenschutzgesetz, BDSG*), in the provision of the contractual services as controller or processor. The supplier is responsible for the lawful handling of personal data provided to them by FIP for the provision of contractual services without prejudice to the other provisions in this Section. The supplier is also responsible for compliance with the formal data protection provisions (e.g., appointment of a Data Protection Officer, performance of a data protection impact assessment, maintaining records of processing activities).

18.2 The supplier undertakes to process the personal data provided by FIP only lawfully and transparently, in good faith and exclusively for the provision of the contractual services. Any use of the data beyond that, especially for the own purposes of the supplier or for purposes of third parties, is not permitted. Additionally, the supplier will limit the processing in terms of content and time to what

is absolutely necessary and ensure the correctness of the data and their integrity and confidentiality.

- 18.3 The supplier undertakes to take technical and organizational measures in a scope provided by the relevant data protection provisions to ensure the confidentiality, availability, integrity and authenticity of the personal data provided by FIP. This obligation also includes measures for ensuring data protection through privacy by design and privacy by default.
- 18.4 The supplier undertakes to use only employees for the provision of the contractual services who have been familiarized with the legal data protection provisions and the special data protection requirements of the orders and jobs by FIP with appropriate measures, and, unless they are already subject to appropriate legal obligations to confidentiality, committed them comprehensively to data protection confidentiality in writing (previously data secrecy).
- 18.5 If the processing of personal data takes place in the context of commissioned data processing, the parties conclude an agreement on commissioned data processing according to the legal provisions of Art. 28 GDPR.
- 18.6 The supplier is hereby informed that FIP is certified in the field of information security according to TISAX. Insofar as the partner may come into contact with customer-related or personal data while providing its services for FIP, in particular with a component drawing, it is obliged to comply with the standards of TISAX and/or ISO/IEC 27001 for IT security.
- 18.7 Insofar as the supplier's contractually owed services can be classified as particularly relevant to information security, the supplier is additionally obliged to comply with the provisions of the **Information Security Policy for Suppliers**.
If the partner does not come into contact with the aforementioned data as planned, it is obliged to sensitize its employees to the importance of this data in a documented manner, e.g., through training.
- 18.8 FIP has the right, after a reasonable notice period, to verify compliance with the contractually agreed information security and IT security standards either on the basis of suitable documentation or at the supplier's premises. Upon request, the supplier shall immediately provide FIP with all necessary documents to verify the documentation.

19. Final Provisions

- 19.1 The place of performance for all deliveries and services is Königsberg/Germany.
- 19.2 The exclusive place of jurisdiction is Königsberg/Germany. However, FIP may sue the supplier at their general place of jurisdiction or at any other place of infringement.
- 19.3 The laws of the Federal Republic of Germany apply. If the supplier is not domiciled within the Federal Republic of Germany, FIP may also assert the law that applies at the supplier's domicile or the law of the place of infringement.
- 19.4 These General Terms and Conditions of Purchase remain binding in general even in the case of legal invalidity of individual provisions.

Addendum to the General Terms and Conditions of Purchase:

Special Provisions for the Purchase of Machinery and Equipment

These special provisions form an addendum to the General Terms and Conditions of Purchase and 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 have priority over the General Terms and Conditions of Purchase. All other provisions of the General Terms and Conditions of Purchase remain unaffected.

3. Delivery Time, Delay

3.1 sentence 2 is changed as follows:

The timeliness of deliveries depends on the receipt by the receiving office specified by FIP; the timeliness of deliveries/performances depends 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 passes upon acceptance by FIP. Formal acceptance is required, which shall be executed within 2 weeks after completion of the delivery/performance and written notification of completion to FIP. An acceptance protocol shall be set up. For deliveries without assembly or installation, the risk passes upon arrival of the delivery at the receiving office specified by FIP.

5. Payment

5.2 is changed as follows:

The terms of payment are 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: Special Provisions for Orders and the Purchase of Services

These special provisions form an addendum to the General Terms and Conditions of Purchase and 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 have priority over the General Terms and Conditions of Purchase. All other provisions of the General Terms and Conditions of Purchase 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 applies, 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) 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 is 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, FIP 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 FIP had to assume – in view of the service provider's behavior – 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 FIP has been charged by their own customers, other contractors, or third parties in any other way due to the poor service performance or if FIP therefore adjusts claims by their own customers, other contractors, or third parties to avoid disputes, FIP shall reserve the right of recourse against the service provider.

10.7 is changed as follows:

FIP is entitled to demand compensation from the service provider with regard to expenses that were borne by FIP 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, labor, and material costs.

11. Product Liability

11.2 is changed as follows:

The service provider is obliged to maintain at their own expense a liability insurance with adequate coverage. On FIP's request, the service provider will submit a copy of the liability insurance policy at any time.

The following provisions apply additionally:

20. Confidentiality, Intellectual Property Rights

20.1 The service provider is obliged to keep confidential all commercial and technical details associated with the orders and contracts as well as all information on business operations of FIP that are usually not accessible to third parties, and to not exploit the details and information themselves.

20.2 The service provider warrants that intellectual property rights of third parties are not infringed by the service performed. The supplier must not conceal from FIP the existence of any intellectual property right.

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

21. Provisions Regarding the Minimum Wage Act (MiLoG)

21.1 The supplier confirms and warrants that they 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 insist on strict compliance with the Minimum Wage Act also with respect to

their contractors, and that they obtain corresponding written confirmation of such compliance with the Minimum Wage Act.

21.2 In order to ensure the supplier's compliance regarding the minimum wage provision, FIP has the right of access and control and the right of consent with regard to the assignment of contractors.

21.3 The supplier represents that they are not excluded from the award of public contracts.

21.4 In case services will be provided in the economic sectors or industries stated in Section 2a of the German Control of Unreported Employment Act (*Gesetz zur Bekämpfung der Schwarzarbeit und illegalen Beschäftigung*), the following shall apply: Upon request by FIP, the supplier is 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 FIP, the supplier will allow inspection by FIP of the relevant (anonymized) payrolls.

21.5 In the event of violation, the supplier undertakes to pay an appropriate contractual penalty to FIP. The amount of the contractual penalty will be determined by FIP using equitable discretion and may be reviewed by the competent court in case of disputes.

21.6 In the event of charges by third parties against FIP due to Section 13 MiLoG in connection with Section 14 of the German law on posting of workers (*Arbeitnehmerentsendegesetz (AEntG)*), the supplier will keep FIP indemnified against all claims including the costs for legal defense upon the first written request. The assertion of any further claims shall remain reserved.

21.7 If the supplier violates the provisions stated herein, FIP shall be entitled to terminate the contractual relationship for cause without observing any notice period. This also applies 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: 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 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 have priority over the General Terms and Conditions of Purchase. All other provisions of the General Terms and Conditions of Purchase 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 8.1–8.4 do not apply and are deleted