

General Terms and Condition of Purchase

For the procurement of raw materials, semi-finished products, software, merchandise, and services

1. Contract Execution / Formalities

- 1.1. The following terms and conditions ("General Terms") govern to the legal relationship between the Supplier and Franke Industrie AG (Switzerland) or, depending on which Franke entity the Supplier supplies to, Franke Industrie GmbH (Germany) (hereinafter equally referred to as "Franke" unless these General Terms foresee differing provisions relating to either Franke Industrie AG or Franke Industrie GmbH) and all related obligations and supplies exclusively. The General Terms form an integral part of the agreement between Franke and the Supplier ("Agreement") when the General Terms are expressly specified as a part of the Agreement but also when Franke annexes these General Terms to an order or includes these General Terms in the order document or refers to these General Terms by providing a link to the website of Franke on which these General Terms can be viewed.
- 1.2. Conflicting, deviating or additional supply terms or Supplier's general terms and conditions are only valid for Franke's purchases if and to the extent that they are explicitly accepted in writing by Franke. This validity requirement applies without limitation. In particular, any implicit or explicit acceptance of contractual goods or services, with or without reservation, shall not be deemed recognition of the Supplier's terms and conditions.
- 1.3. Any and all individual understandings agreed with the Supplier in writing (including supplements to an agreement, amendments and modifications), especially supply agreements, framework agreements and quality assurance agreements, shall prevail to the extent these General Terms contain conflicting provisions.

2. Offers of the Supplier; Orders by Franke

- 2.1. Quotes, offers, samples or demonstrations shall be free of charge for Franke. Unless otherwise agreed, the Supplier shall remain bound by its quotation or offer for at least 180 days. They must comply with the descriptions and targets of Franke and in the event of deviations these must be expressly referred to in writing. The Supplier shall disclose to Franke all circumstances which are of importance for the quotation/offer or the Deliverable ("Deliverable").
- 2.2. Until placing an order at its discretion, Franke may decide not to proceed regarding a Supplier's quotation without incurring any obligation or financial consequences.
- 2.3. The Supplier must acknowledge receipt of the order and the delivery date without delay. If not rejected by the Supplier within five working days following its receipt by postal delivery or e-mail, any Franke order and the terms set out by it shall be deemed as accepted by Supplier.

3. Deliverables / Changes in the Deliverables / Spare Parts

- 3.1. The Supplier shall make sure to obtain in time all information required for the fulfillment of its contractual obligations as well as for the use of its Deliverables intended by Franke.

- 3.2. The Supplier shall make available to Franke the complete technical documentation pertaining to the Deliverables and, if applicable, manuals in electronic and physical form.
- 3.3. Franke may, to reasonable extent, request from the Supplier necessary modifications of the Deliverables in construction and realization. The Supplier must implement the modifications within an appropriate time period. The parties shall mutually agree on the increased or decreased costs as well as the delivery date of the Deliverable, and in case no agreement can be reached Franke shall take an appropriate decision, taking into account normal business practice.
- 3.4. The Supplier represents and warrants that it can deliver to Franke at reasonable conditions with the respective Deliverable or spare parts for a time period of 10 years after the last order and for Deliverables or parts for the aviation or aerospace industry during the customary time period of the "operational life span of the Deliverable" in such industry, but not less than 30 years.
- 3.5. Notice of an earlier cessation of the manufacturing of the Deliverables or a part thereof by the Supplier or its subcontractors must be given to Franke in time in order to enable Franke to place a final order for sufficient quantities. In the event of a breach of this obligation, Franke is authorized, regardless of any patents or other rights, to have the Deliverables manufactured in appropriate amounts by itself or by a third party without compensation of the Supplier and to use samples and drawings of the Supplier for this purpose. The Supplier shall give to Franke the corresponding documentation at least in regard to parts which it manufactures itself upon first request.

4. Prices, Invoicing and Payment Conditions

- 4.1. The agreed prices are fixed prices in the agreed currency (if in doubt or not agreed: for orders made by Franke Industrie AG: CHF; for orders made by Franke Industrie GmbH: EUR). All prices are understood to be inclusive of Value Added Tax (VAT), if VAT is applicable, unless the Parties agree otherwise in writing or VAT is clearly specified as a separate, additional expense in writing.
- 4.2. Unless otherwise agreed in writing, the price includes any and all Deliverables, services and ancillary services to be rendered by Supplier (e.g. mounting, implementation) as well as any and all additional costs (e.g. due packaging, costs of transportation including customary transportation or indemnity insurance). Supplier shall take back packaging material upon Franke's request.
- 4.3. The invoices coming with every delivery have to include any and all markings as required by the order and have to include, in particular in order to allow for input tax deduction, at least the following: invoice number, date of invoice, delivery date (if different from invoice date), complete names and addresses of Supplier and receiver of invoice, article number and Franke Supplier number, reference/order number, Supplier's banking details,

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- VAT/tax identification number, invoiced amount, description of goods and volume, applied VAT rate and amount (if applicable).
- 4.4. Unless otherwise agreed, payments shall be made within 90 days net from the receipt of the delivery in full as per contract (including acceptance of Deliverable by Franke, if such requirement is agreed) and a correct and verifiable invoice. In case of accepted early deliveries, the period begins at the earliest of the agreed Delivery Date. For bank wire transfers, the payment shall be deemed to be on time if the transfer order is received by Franke's designated bank before the end of the payment term.
- 4.5. Franke is entitled to the legally granted rights to set-off and retention as well as the right to object to unfulfilled contracts ("Einrede des nicht erfüllten Vertrages"). In particular, Franke is entitled to withhold due payments as long as Franke has claims arising from incomplete or faulty Deliverables or services against Supplier.
- 4.6. The Supplier shall have no right to set-off and shall not transfer to, or have collected by third parties claims against Franke.
- 4.7. Advance payments will be made by Franke only against reasonable security (e.g. bank guarantee).
- 5. Delivery Conditions / Transfer of Ownership and Risk**
- 5.1. The Supplier shall ship the Deliverables DAP (Incoterms 2020) to the location designated by Franke (Delivery Place), including packing and protection unless specified otherwise. If no Delivery Place is stipulated in writing by the Parties by order or individual contract, the Delivery Place shall be at Franke's registered office. A delivery note in duplicate shall be included in each delivery as well all documents specified by the order or individual contract, e.g. commercial invoice or certificate of origin (together the "Documents"). The delivery note must include the order number, article number and Franke Supplier number. For an agreed delivery "ex works", the measurements and weight of the delivery must be given to Franke and the consignee specified by Franke in a timely manner. In the event the requested shipment Documents and agreed other Documents are not delivered correctly or in time, the Deliverable shall be stored at the Supplier's charge and risk until remedied and receipt of the correct Documents.
- 5.2. The Deliverables are to be packed in an appropriate and standard commercial manner corresponding to the security regulations at the place of destination. Franke is authorized to stipulate the type and manner of packing. In the event that Franke sends back the reusable packing freight paid to the Supplier, Franke has a right to a refund in the amount of the value of the packing material.
- 5.3. Property, benefit and risk are transferred to Franke upon delivery at Delivery Place, respectively after acceptance of Deliverable, if an acceptance procedure is contractually stipulated. In the event of an advance payment (cf. Art. 4.7.), the property rights in ordered goods are transferred to Franke upon payment or, if the prepaid goods have yet to be manufactured, upon their manufacture.
- 5.4. Without Franke's prior written consent Supplier has no right to use third parties (e.g. sub-contractors) for the performance of its contractual obligations.
- 6. Delivery Dates / Delays**
- 6.1. The dates of the delivery agreed between Franke and the Supplier ("Delivery Date(s)") and the delivery periods agreed between Franke and the Supplier are binding. The Delivery Date is met by the timely receipt of the Deliverables and Documents at the location or the consignee designated by Franke. In the event the agreed Delivery Date is exceeded, the Supplier is in default without notice. The Supplier is also deemed to be in default in the event that Franke rejects Deliverables that do not conform with the respective order. Legal provisions according to which it would be presumed that Franke waives its claim to have rectified Deliverables delivered shall not apply. The Supplier must immediately give notice of an apparent delay of its performance in writing to Franke with information as to the reasons and probable duration of the delay. Should it emerge even before the delivery is due that the Supplier will exceed the Delivery Date, Franke can set a period for the Supplier to cure the problem, after which, if the problem persists, it can cancel the order and waive the delivery and instead claim compensation. Partial deliveries and early deliveries are only allowed with express written agreement of Franke.
- 6.2. In the event of Supplier delay, Franke is entitled to a contractual penalty from the Supplier of 0.5% for every working day, which shall, however, not exceed 5 % of the total net value of the delayed Deliverable. Franke is entitled to claim this penalty as liquidated minimum damages in addition to claiming damages and/or proper contract performance by Supplier. The stipulation of and entitlement to liquidated damages does not affect further claims due to delay provided for by law, e.g. claiming further damages. Any paid liquidated damages are not credited against claims for damages. In the event Franke accepts delayed delivery, it will claim the penalty (liquidated damages) no later than it effects the final payment related to the delayed Deliverable.
- 7. Confidentiality, Intellectual Property Rights, Data Protection**
- 7.1. The Supplier shall treat as confidential all received or accessible facts, data and information which are not public or generally accessible. This duty of confidentiality shall also apply before the contract is signed and after the end of the contractual relationship. The Supplier shall apply this duty of confidentiality to its employees, subcontractors and to any other third parties engaged. Such Confidential Information shall not be disclosed to third parties without Franke's express consent. Confidential Information shall be used exclusively for the performance of the contract, e.g. manufacture, deliveries and / or services based on the order. The Supplier may not without

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- prior written approval from Franke advertise its business relationship to Franke.
- 7.2. The Supplier must safely store and maintain the Confidential Information made available to it as well as respective copies at its own costs and at any time upon request of Franke immediately return the Confidential Information or destroy them, however at the latest when the Supplier terminates its activities for Franke. The Supplier is not entitled for whatever reasons to a right of retention. The Supplier shall confirm the complete return or destruction of the Confidential Information in writing.
- 7.3. Unless expressly stated otherwise by these General Terms or a written agreement between the Parties, both Parties' pre-existing Intellectual Property Rights remain unaffected by these General Terms.
- 7.4. All drawings and further documents regardless of their form (e.g. on paper, electronically-stored or transmitted) produced by the Supplier in performing its obligations under the Agreement and any order, and the copyright and other intellectual property rights in all such drawings and documents, shall be the exclusive property of Franke. All Intellectual Property Rights (in particular copyright and patents) in a Deliverable (including in Software to be delivered or included in a Deliverable) specifically developed by Supplier for Franke or according to instructions from Franke or with contributions from Franke vest automatically in Franke or, if that is legally not admissible, are automatically transferred to Franke to the maximum extent permitted by law without any additional remuneration. If the Supplier manufactures the Deliverables in accordance with Franke's instructions, any intellectual property rights, in particular copyright and patents arising as a result of the manufacture, shall belong exclusively to Franke. The Supplier undertakes to supply copies of all such drawings and further documents to Franke, and also at any time on the request of Franke to sign any further documents or perform any other act reasonably necessary to perfect Franke's ownership of such intellectual property rights including in particular copyrights. If, under applicable law, it is not possible to transfer ownership of copyright or any other relevant intellectual property right, the Supplier hereby grants, and agrees to grant formally if necessary, the exclusive right and license to copy and freely exploit such intellectual property rights.
- 7.5. In the event the Supplier modifies or enhances a standard product from its range of standard products specifically for Franke, Supplier grants Franke a world-wide, perpetual, non-exclusive and assignable license at no additional charge in relation to all Intellectual Property Rights that may subsist in the product in order to enable Franke to freely use and exploit (e.g. re-sell) such product.
- 7.6. The Supplier shall defend and hold Franke fully harmless from any third party claim against Franke on account of the infringement of third parties' intellectual-property rights, including patents and copyrights, that may be raised in connection with the Deliverables supplied by the Supplier.
- 7.7. The Supplier undertakes to observe the provisions of European Union's data protection regulation. It agrees to take all reasonable economic, technical and organizational steps to protect data acquired in the course of the contract against unauthorized access by third parties or further processing.
- 7.8. In the event of a breach against any confidentiality or obligations with respect to intellectual property rights liquidated damages in the amount of CHF 25'000.00 (if Franke Industrie AG is concerned) or EUR 25'000.00 (if Franke Industrie GmbH is concerned) are due immediately for each case of infringement, without prejudice to Franke's other rights and claims arising from such breach. In particular, Franke shall be entitled to specific performance, further damages and injunctive or equivalent relief and further claims provided for by the law.
- 8. Quality Guarantee / Control of incoming goods / Supplier Code of Conduct**
- 8.1. The Supplier shall deliver quality checked Deliverables conforming with all requirements set out by the respective order. The Supplier warrants that the Deliverables shall be free from legal and material defects affecting their value or usability, that they have the agreed upon characteristics, they conform to the specifications and documentation provided to the Supplier, that material, design and construction are unobjectionable and that the delivery and use of the Deliverables do not infringe any property rights of a third party. Supplier shall immediately notify Franke if it has reasons to believe that the delivered goods or services are not suitable for their intended use or do not conform with the agreed specifications. Supplier shall observe in supplying the Deliverables all governing standards, laws and regulations at the Delivery Place, in particular also the governing regulations in regard to environmental protection, hazardous substances and goods, and accident prevention at the destination as well as the compliance with the generally recognized safety technology and occupational health rules. The Supplier must inform Franke of the required official permits and registration obligations for the import and operation of Deliverables.
- 8.2. In the event that the requirements demanded by Franke or the given specifications are recognizably inappropriate for the intended use of the Deliverable, the Supplier shall immediately give written notice to Franke by means of the form *B3_P02_F03 Lieferanten Abweichungsreport_Supplier NCR*. It is the Supplier's responsibility to detect such events.
- 8.3. The Supplier is liable for its sub-suppliers in the same manner as its own deliveries and services.
- 8.4. The Supplier shall constantly monitor the quality of the Deliverables and services and shall observe any quality assurance agreements of Franke in their respective valid version. Modifications to the Deliverables, raw materials or to the manufacturers processing require Franke's prior approval. The Supplier shall notify Franke proactively of any nonconforming processes and products. The Supplier shall protect and safeguard electronically in a readable format and / or in paper form all development

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- and / or manufacturing documentation and drawings for 10 years (in case of items of the aviation and aerospace industry during the customary "operational life span" of the Deliverable in this specific industry sector, however for at least 30 years). Should the working relationship between Franke and the Supplier be terminated, the Supplier shall give to Franke all development and / or manufacturing documents and drawings (including documents and specifications).
- 8.5. The Supplier adheres to the Supplier Code of Conduct of Franke, which is available on <https://www.franke.com/main/en/ie/about-us/general-terms-and-conditions.html>.
- 9. Access, Inspection and Participation Rights**
- At Franke's request, the Supplier shall grant Franke and, where applicable, Franke's customers access to the production sites and the right to inspect all order-relevant documentation (electronic and/or paper) in order to verify the quality assurance measures. The Supplier shall ensure through appropriate agreements with its subcontractors that these rights of access, inspection and participation are likewise provided to Franke.
- 10. Liability for Defects / Reimbursement for Expenses / Guarantee Period / Insurance**
- 10.1. The warranty and guarantee period for the Deliverables shall be 48 months from the date of transfer of risk respectively acceptance (if determined by statutory law or agreement) of the Deliverables by Franke. This period supersedes shorter warranty/guarantee periods provided by law. For repaired or replaced Deliverables, the warranty and guarantee period shall start anew from the date at which they are put into operation.
- 10.2. Franke shall be under no obligation to inspect or examine the Deliverables upon receipt or inspect or examine the Deliverables within a certain time period or to notify the Supplier about its findings within a certain time period, except if so provided by mandatory law. Supplier will be notified about Defects after detection of Defects by Franke. The Supplier hereby waives the defense of tardy notification. In particular, Franke shall equally be without inspection obligation if an acceptance process has been agreed between the Parties. In all cases, the defect notification shall be deemed as on time if it is received by Supplier at any time within the 48 months' guarantee period. Franke is entitled to its warranty/guarantee rights even if a defect has gone unnoticed at the contract's conclusion due to Franke's gross negligence.
- 10.3. The claims of Franke shall have the statutory rights, unless not set out otherwise by these General Terms or by individual contract. In particular, Franke may at its discretion reject the defective Deliverables and request the delivery of faultless Deliverables or accept the defective Deliverables and assert warranty claims.
- 10.4. In the event that the Supplier does not fulfill its duty of supplementary performance – at Franke's choice by way of rectifying the defect (subsequent improvement/re-work) or delivery of a non-defective item (replacement) – within a reasonable period of grace granted by Franke or in the event that a supplementary performance becomes unreasonable for Franke (e.g. in the event of particular urgency, endangerment of operational safety, impending occurrence of disproportionate damage or Franke's impending inability to supply goods to its customers), Franke may inform the Supplier about such circumstances and, without granting the Supplier a grace period, rectify the defect by itself or have it rectified by a third party at Supplier's cost.
- 10.5. For all other cases, if a defect in quality or law occurs, Franke has the right to claim reduction of the price or rescind from contract. Furthermore, Franke has the right to claim damages and reimbursement of costs and expenses pursuant to the applicable law.
- 10.6. The Supplier shall be liable for all direct or consequential damages and expenses incurred by Franke due to defective Deliverable. The Supplier shall also compensate the expenses for the control of incoming Deliverables which exceed the usual extent provided that at least a part of the delivery is perceived as defective. This also applies to a partial or complete examination of Deliverables in the further course of business at Franke or its customers.
- 10.7. The Supplier shall also refund expenses of Franke or of Franke's customers incurred as a precautionary measure or in connection with product defects for the early prevention of damage, damage defense or the mitigation of damage (e. g. recall campaigns).
- 10.8. In the event of disputes on defects, an expert opinion will be obtained. Unless otherwise agreed upon in writing, the opinion of the Swiss Federal Laboratories for Materials Testing & Research (EMPA) will be requested. The parties undertake to accept the findings of the agreed expert or the EMPA as the case may be. The costs of the expert opinion will be borne by the party found liable.
- 10.9. The Supplier shall maintain, for the duration of the supply relationship, adequate insurance coverage in which all possible risks are taken into consideration. Upon first request of Franke, proof must be provided.
- 11. Product Liability and Manufacturer Liability**
- 11.1. Should an action be brought against Franke by a third party (e.g. its customers) claiming direct or indirect damages based on law, in particular product liability law or tort law, because the Deliverables are defective, the Supplier shall fully indemnify Franke for all related expenses and costs and hold Franke fully harmless. Franke shall inform the Supplier as soon as it receives notice of such claims in order to be able to defend against such claims. Franke may allow the Supplier to handle the litigation in case Franke concludes that the Deliverables delivered by the Supplier are the cause of the damage.
- 11.2. Should a product recall be required according to the assessment of Franke due to a defective Deliverable,

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Franke shall – if possible and reasonable – inform the Supplier accordingly without delay and without prejudice to Franke's rights. The Supplier shall bear the costs of the recall if and to the extent the recall was necessary due to the defects of the Deliverables.

- 11.3. The claims of Franke against the Supplier in connection with product liability are subject to the same statute of limitations as the claims of injured third parties against Franke, pursuant to the rules of the applicable law, in particular product liability law or tort law.

- 11.4. Supplier has to conclude and maintain a product liability insurance with a lump-sum coverage of at least 1,0 Mio CHF (if supplying Franke Industrie AG) or 1,0 Mio EUR (if supplying Franke Industrie GmbH) per personal or property damage.

12. Supplies

Material, parts, containers, special packing material, tools, measuring tools or similar (the "Supplies") provided by Franke remain the property of Franke. They are to be used exclusively for the performance of contract. Copies of Supplies may only be made with the advance written consent of Franke. The copies are transferred upon their production to the ownership of Franke. The Supplier is not entitled to a right of retention for any reason. Supplies as well as copies of them may not be made accessible to third parties (also sub-suppliers) and may not be used for any other purpose than that agreed upon unless Franke gives its written approval.

13. Tools

- 13.1. Unless otherwise agreed, tools ordered belong to Franke upon payment of the contractually owed remuneration. They may remain with the Supplier for fiduciary operations. In this case, the Supplier shall only be entitled to dispose of the tools, to relocate its location or to render it permanently inoperable with the written consent of Franke. The tools shall be marked by the Supplier as the property of Franke. The Supplier shall bear the costs for maintenance, repair and replacement of the tools.
- 13.2. For co-owned tools, if any, Franke is entitled to a preemptive right to the co-owned portion of the Supplier. The Supplier must use the tools which are in the ownership respectively joint ownership of Franke exclusively for the manufacture of the Deliverables.
- 13.3. Upon request of Franke, the Supplier must release the tools immediately to Franke. For tools which are co-owned, Franke must refund to the Supplier after receipt of the tools the present value of the co-owned portion of the Supplier. The Supplier does not have a right of retention in any case. The release obligation applies to the Supplier also in the event of an insolvency claim against it or in case of a breach of contract. The Supplier must insure the tools as agreed and in the event no agreement has been reached, for the customary amount.

14. Software

- 14.1. Intellectual Property with regards to standard software embedded in or delivered with the Deliverable remains with the Supplier. All rights of use for the intended use of the contractual service are granted to Franke free of charge, for perpetual, non-exclusive, world-wide use and Franke's right to assign or sub-license such rights.
- 14.2. For software developed specifically for Franke, co-developed with Franke or developed under instructions from Franke, the rules set out by Art. 7 apply.
- 14.3. The inclusion of Open Source Software in the Deliverable is only admissible if contractually agreed or consented to by Franke in writing. In such event, Supplier shall deliver with the Deliverable all electronic files and documents prescribed by the original licensors for the re-distribution of the Open Source Software component (e.g. Source Code, license terms, warranty disclaimer, copyright notice).

Provided non-standardized software forms part of the Deliverable, the Supplier shall be prepared for a period of 5 years from the delivery to make modifications/improvements in the software pursuant to the instructions of Franke for reasonable compensation. If the software originates from the prior supplier, the Supplier will correspondingly obligate the prior supplier.

15. Force Majeure / Longer Term Delivery Obstacles

- 15.1. Natural disasters, fires, explosions, floods, wars, civil unrest, revolutions, riots, epidemics, national state of emergency, governmental measures and other unforeseeable and unavoidable occurrences release the Supplier and Franke from performance obligations for the duration of the disturbance and to the extent of its effect. The party affected must immediately inform the other contractual partner in detail and do everything reasonable in order to limit the effect of such an occurrence. The party affected must immediately inform the other contractual party of the end of the disturbance.
- 15.2. In the event of a longer term prevention from the delivery, suspension of payments or the initiation of insolvency proceedings, the rejection of the initiation of such a proceeding due to lack of assets or the initiation of a comparable proceeding against one of the parties, the other party is entitled to withdraw from the Agreement in regard to the yet unfulfilled portion. Should the Supplier be affected by one of the above-mentioned occurrences, it will to the best of its ability support the shift of the production of the Deliverables to Franke or a third party including a licensing of the necessary commercial industrial property rights for the production at customary conditions.

16. Counterfeit parts

- 16.1. The Supplier represents that the goods delivered to Franke do not contain any counterfeit parts.
- 16.2. In the event the Supplier becomes aware of or suspects having delivered counterfeit goods, he shall inform

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Franke immediately and replace them with genuine articles. The Supplier shall, at the request of Franke, provide documentation allowing Franke to trace deliverable parts to the approved sub-suppliers concerned.

17. Applicable Law, Place of Jurisdiction

- 17.1. The laws at Franke's respective place of business shall, with the exclusion of the Treaty of the United Nations regarding agreements for the international sale of goods (Vienna Convention on the Sale of Goods), be exclusively applicable to these General Terms and any related legal relationship between Franke and the Supplier.
- 17.2. The exclusive place of jurisdiction for all disputes related to these General Terms shall be Franke's respective place of business. However, Franke reserves the right to take legal action against the Supplier at any ordinary place of jurisdiction or at the stipulated place of the delivery to which the disputes is related.