

**KELLER**

*Creating Solutions*



# General Purchasing Terms and Conditions for Supply Contracts

To be used in all contractual relationships between KELLER (hereinafter referred to as "Buyer") and companies (hereinafter referred to as "Supplier") for the delivery of products or services, or both.

## 1. Applicable conditions

- 1.1 The legal relationship between Supplier and Buyer shall exclusively be governed by the following Terms and Conditions of Purchase.
- 1.2 Any conflicting terms and conditions of the Supplier are hereby expressly rejected.
- 1.3 The unconditional acceptance of products or services, or both, (hereinafter uniformly referred to as the "subject matter of the contract") or the payment without reservation by the Buyer shall in no case imply the acceptance of the Supplier's General Terms and Conditions.
- 1.4 These Terms and Conditions of Purchase are also applicable to all future business with the Supplier.

## 2. Conclusion and scope of contract, time schedule, suspension, project manager

- 2.1 This contract shall come into force upon its signature by both Contracting Parties or upon the commencement of the services by the Supplier.
- 2.2 The Supplier undertakes to provide or comply with all services and provisions agreed in this contract in a complete, functional, proper form and ready for operation, and to provide the following services within the agreed deadlines. The Supplier must ensure that the ongoing business operations are not impaired during the provision of the services.
- 2.3 The Supplier shall deliver a complete and functional system. Everything required for the planning, delivery and erection/assembly is deemed to be agreed upon as subject matter of the contract. This applies in particular if materials or services were not expressly mentioned in the inquiry or in the specification, or both, or indicated in the drawings.
- 2.4 Any modifications to the agreed subject matter of the contract subsequent to the conclusion of the contract require a written confirmation by the Buyer in order to be valid.
- 2.5 The Supplier must examine the Buyer's requirements and must warn the Buyer immediately in writing prior to the provision of the services if any obstacles are given that might impede the proper fulfilment of the contract.
- 2.6 The Supplier warrants that the delivered contractual items are free from defects, possess the assured properties and comply with the Buyer's requirements and with the Buyer's intended purpose of the contract. The Supplier guarantees a complete outgoing goods inspection in order to supply a zero-defect quality.
- 2.7 The place of delivery and the place of final use of the subject matter of the contract may differ. Applicable in such a case is the specification given in the Buyer's supply contract.
- 2.8 The Buyer may request reasonable modifications to the scope of delivery with regard to construction and execution. The consequences thereof, in particular with respect to additional or reduced costs as well as delivery dates, shall be regulated appropriately and by mutual agreement.
- 2.9 Within ten (10) working days after signing the contract, the Supplier shall submit a detailed, logically linked time schedule which describes the Supplier's scope of services logically within the already agreed dates. This time schedule must comply with the requirements of the critical path method and is prepared with the software MS Project in English language.

The time schedule shall be drawn up in such a way as to, in particular,

- allow a target/actual comparison;
- check the milestones;
- show all essential decision points where the Buyer has to make decisions and statements;
- include all planning lead times.

- 2.10 The Buyer may at any time request in writing a suspension of the delivery of the subject matter of the contract. In this case, the Supplier is obliged to provide at his own risk safekeeping of the materials and delivery parts to the extent as they are already available for delivery. No costs shall arise for the Buyer from such suspension provided that the duration of such suspension does not exceed thirty (30) working days. If costs arise thereafter, the parties must immediately come to an agreement in this respect.
- 2.11 The Supplier must assign one of his employees as a project manager. This project manager assumes the coordination and the management for the services to be performed by the Supplier for the Buyer within the context of this contract. The project manager must, upon request, be present on site at the place of final use and he is authorised to issue and to receive statements concerning legal transactions on behalf of the Supplier. The project manager must be replaced upon request of the Buyer if a good cause is given.

## 3. Prices, payment

- 3.1 The prices agreed upon are fixed prices. The prices are quoted DAP within the European Union (EU). However, outside the EU, the prices are agreed to be DDP (INCOTERMS 2020). The prices are understood to include packing and they are exclusive of the statutory value added tax.
- 3.2 Cost estimates, offers, or both, shall be legally binding and free of charge unless otherwise agreed upon in writing. If the Supplier has assumed to carry out the assembly or the installation, he shall bear all necessary ancillary expenses unless otherwise agreed.
- 3.3 Unless otherwise agreed, the Buyer pays (term of payment) either within 60 days without deduction or within 14 days minus a cash discount of 3 %, upon receipt of invoice and upon delivery or fulfilment, respectively, of the subject matter of the contract. The payment is made subject to subsequent invoice verification.
- 3.4 In the event of acceptance of premature deliveries, the payment term shall be based on the originally agreed delivery date.
- 3.5 The calculation documents for the prices in accordance with 3.1 must be presented upon request to allow a review whether the prices are appropriate. Any changes, such as price reductions for the Supplier on the procurement market must be forwarded in full. The Supplier must notify the Buyer immediately of such changes.
- 3.6 Invoices that are not in compliance with these terms and/or with the statutory accounting provisions do not cause the payment to be due.
- 3.7 Within ten (10) working days following this contract entering into effect, the Supplier must provide a guarantee for the performance of the contract for the amount of ten (10 %) percent of the gross contract price, issued by a bank with a rating as stated in 10.2. This guarantee must comply with the requirements set by the Buyer.
- 3.8 After completion of the functioning works or systems and acceptance in compliance with section 8.3, the Supplier must provide, together with the final invoice, a guarantee for warranties complying with the requirements set forth by the Buyer for the amount of ten (10 %) percent of the delivered gross price in favour of the Buyer as a security for the fulfilment of his warranty obligations. If expressly requested by the Supplier, it can be agreed to retain an amount of 10 % of the delivered gross price instead of the provision of a guarantee for warranties.

- 3.9 After completion of the services and their acceptance by the Buyer, the validity of the guarantee only expires when all other contractual obligations including warranties are fulfilled by the Supplier and the Buyer confirms this expressly in writing.
- 3.10 All costs and disbursements in connection with the preparation of the aforementioned guarantees as well as other securities are borne by the Supplier unless expressly stipulated otherwise in this contract.
- 3.11 If instalment payments are agreed, 10% of the invoice amount shall be retained until unconditional acceptance. Noncompliance with agreed terms and conditions of this contract entitles the Buyer to an additional amount of up to five (5) percent of the agreed contract price to be retained by him until the Supplier has complied with the agreed stipulations to the satisfaction of the Buyer.
- 3.12 Within 30 days following the acceptance at the latest, the Supplier has to issue a final invoice for the entire subject matter of the contract. The Buyer may rely on the fact that this final invoice is conclusive; therefore, with this final invoice he waives any other claims in advance, regardless on which legal grounds, if these are not stated in the final invoice. In the event that the Supplier does not comply with the 30 days' time limit stated in section 3.12 sentence 1, the Buyer may issue such final invoice and submit it to the Supplier. In the case that the Supplier does not object to this final invoice within 10 days following the receipt thereof, this invoice shall be deemed to have been approved by the Supplier. A facsimile transfer protocol shall be sufficient as proof of the receipt.

#### **4. Delivery, Time limits, default in delivery, execution by substitution, contractual penalty, advice of dispatch**

- 4.1 Agreed dates and time limits are legally binding. Relevant for the observance of the date of delivery or the delivery period is the receipt of the subject matter of the contract including complete documentation at the agreed place of delivery.
- 4.2 The Supplier has to make the subject matter of the contract available in good time taking the customary time for loading and shipment under consideration. The Supplier has to coordinate with the shipping company of the Buyer in cases where a delivery DDP/DAP/CFR/CPT was not agreed upon.
- 4.3 Partial deliveries are not permitted unless the Buyer has given his express consent.
- 4.4 If agreed dates are not observed for reasons solely attributable to the Supplier, the Supplier is in default. The statutory provisions apply, unless otherwise agreed in accordance with the terms hereinafter.
- 4.5 Unconditional acceptance of a late delivery or service does not constitute any waiver of claims for compensation the Buyer is entitled to due to the late delivery or service.
- 4.6 If the Supplier anticipates difficulties which may prevent him from delivery on time or from delivery of the agreed quality, he must inform the Buyer immediately in writing stating the reasons.
- 4.7 In the event of a default, the Buyer must set a reasonable time limit for subsequent delivery (grace period). Irrespective of the foregoing, the Supplier has to compensate the Buyer for the damage caused by the delayed delivery.
- 4.8 If, in case of default, a reasonable grace period set by the Buyer is not observed, he is entitled to order the delayed subject matter of the contract in the name and at the risk of the Supplier or to instruct third parties to do so. The Supplier bears all costs and disbursements involved. Furthermore, the Buyer is entitled to terminate the supply contract.
- 4.9 In case of an emergency, particularly in order to avert imminent danger or to avoid significant damage, the Buyer may act without prior notification as laid down in 4.8.

- 4.10 Furthermore, the Buyer is entitled to claim a contractual penalty amounting to 1 % up to a maximum of 10 % of the entire order value for each calendar day of default or part thereof. In the event that certain documents defined in the subject matter of the contract have to be delivered at defined dates, the Buyer is entitled to claim a contractual penalty amounting to EUR 500.00 for each document that is in default. The contractual penalty shall be offset against any claims for damages.
- 4.11 The shipment of the subject matter of the contract must be notified three days in advance.
- 4.12 If subject matters of the contract are delivered prior to the agreed date (premature delivery) or if subject matters of the contract are delivered in a larger quantity than agreed for the date (excess delivery), the Buyer has the right to return these subject matters of the contract at the expense and at the risk of the Supplier. If storage of the subject matters of the contract is necessary, the Supplier will bear the risks and costs involved.

#### **5. Nondisclosure**

- 5.1 All information made accessible by the Buyer (including characteristics that can be derived from delivered objects, documents, drawings or software, as well as other knowledge or experience) must be kept confidential towards third parties, insofar and as long as it has not been made public and proof is given to this effect. This information remains the exclusive property of the Buyer and shall only be made available to such persons within the company of the Supplier who are necessarily involved in the delivery to the Buyer and who also bound to nondisclosure. Such information must not be reproduced or used for commercial reasons without the Buyer's prior written consent- except for deliveries to the Buyer itself. Upon request of the Buyer, the Supplier must immediately and completely return to the Buyer or destroy all information originating from the Buyer (including copies and records) and objects provided on loan together with a corresponding declaration in writing.
- 5.2 The Buyer reserves all rights to such information (including copyrights and the right to file applications for industrial property rights). Insofar as the Buyer has received such information from third parties, this reservation also applies towards these third parties.
- 5.3 Products which have been manufactured in accordance with the documents designed by the Buyer, such as drawings, models or the like, or which have been manufactured in accordance with the Buyer's confidential information or with the tools of the Buyer or with rebuilt tools may not be used by the Supplier, nor offered to or delivered to third parties. This shall apply mutatis mutandis to print jobs.

#### **6. Inventions, industrial property rights**

- 6.1 The Supplier hereby already grants the Buyer a royalty-free and transferable right of use for an unlimited period of time to use inventions made within the framework of the legal relations between Supplier and Buyer that might be protectable, in particular when services for developments are rendered. The Supplier will take organisational steps to ensure his obligation to use and transfer this right.
- 6.2 The Supplier is aware that the subject matter of the contract provided to the Buyer will be used on a global scale. The Supplier guarantees that all deliveries are not subject to industrial property rights of third parties and, in particular, that the delivery and use of the delivery objects does not violate patents, licenses or other industrial property rights of third parties. The Supplier will indemnify and protect the Buyer from damage and legal action for all claims asserted on such grounds (including legal expenses related to the proceedings). At the expense of the Supplier, the Buyer is entitled to obtain the approval for the use of the delivery objects and services in question from the owner of the right.

- 6.3 The Supplier grants the Buyer the irrevocable right to dispose of the subject matter of the contract, in particular to resell it to third parties.
- 6.4 The contracting parties shall inform each other immediately of emerging risks of violation and alleged cases of violation.
- 6.5 The Buyer has the right to use the software including its documentation which is a part of the scope of delivery with its agreed performance features as intended in the contract. The Buyer may also produce a backup copy without express agreement.
- 7. Packing, delivery note, invoice, origin of goods, export declaration and export restrictions**
- 7.1 The subject matters of the contract must be packed in a way to be suitable for transportation. The Supplier is solely responsible for the accuracy and completeness of the accompanying documents. In particular when supplying hazardous materials, the Supplier is responsible that both packing and labelling as well as the means of transport and their labelling comply with applicable provisions for the particular means of transport (road, rail, inland and deep sea shipping or air transport). Special regulations concerning labelling or preservation methods or both as stated in the supply contract must be complied with.
- 7.2 The Supplier shall issue a delivery note and a separate invoice for each shipment to the Buyer. These documents must contain the supplier number, date and number of the supply contract, quantity and article numbers of the Buyer and the Supplier, number and date of the delivery note, and gross weights and net weights stated separately, additional particulars stated by the Buyer in the supply contract (e.g. unloading point, project number) as well as the agreed units of price and quantity. A packing list with a detailed table of contents stating the order number must be attached to each delivery.
- 7.3 If the invoice refers to several supply contracts, the information provided under section 7.2 must be stated separately for each supply contract.
- 7.4 A supplier with a registered office in the EU must communicate the customs tariff number to the Buyer and, upon request, has to provide free of charge certificates of origin for the subject matters of the contract. Furthermore, the Supplier must always clearly mark any subject matter of the contract that does not have its origin in the EU on the delivery note with "goods not of EU origin". A Supplier not having his registered office in the EU must additionally communicate the customs tariff number to the Buyer and present a preferential declaration of origin for the respective subject matters of the contract and, upon request, forward a certificate of origin free of charge together with the delivery. The Supplier indemnifies the Buyer from all costs arising from incorrect, incomplete or inaccurate information or documents regarding the origin of the goods. The Supplier must provide an export declaration for extra-community supply contracts (not EU, NAFTA, Mercosur, etc.).
- 7.5 Prior to entering into supply contracts the Supplier is obliged to clearly inform the Buyer of possible export restrictions in his quotations and invoices. This especially includes the designation in accordance with relevant national export laws, in particular the export laws of Germany, the United States of America, and Japan, the statement of the relevant export control list numbers, and - to the extent that goods are concerned which are subject to US export law - the statement of the American Export Control Classification Number (ECCN).
- 8. Force majeure, transfer of risk, acceptance**
- 8.1 Force majeure, labour disputes, strikes, non-attributable disruptions of operations, civil unrest, measures of public authorities or other inevitable events release the Buyer from his obligations for the duration of the events. Furthermore, irrespective of his other rights,

the Buyer is entitled to withdraw from the contract in part or as a whole insofar as the events cause a significant decrease of the Buyer's demand and when the events are not of negligible duration.

- 8.2 The Supplier bears the risk until acceptance by the Buyer or the Buyer's authorised agent at the place where the subject matter of the contract has to be delivered in accordance with the order (place of delivery). If the Supplier carries out assembly, installation or commissioning, he shall bear the risk until acceptance by the Buyer or the Buyer's authorised agent. If a place of final use is stated in the Supply Contract in addition to the Place of Delivery, the transfer of risk will take place at the place of final use.
- 8.3 If the Supplier is responsible for assembly and installation or if services are rendered that are based on other contractual regulations, a formal acceptance of the completed work must be carried out. This applies in particular if a formal acceptance of the completed work has been agreed upon in the contract. Formal acceptance of the completed work is deemed to have been given if the Buyer delivers a signed acceptance certificate to the Supplier. The formal acceptance of the completed work cannot be withheld in case of minor defects in quality. If a testing period has been agreed upon, formal acceptance of the completed work will only be carried out when the parameters within the agreed time period are achieved. The terms of section 9 shall apply accordingly with regard to a remedy and consequences of a defect in quality.
- 8.4 If commissioning is agreed upon prior to the formal acceptance of the completed work as per section 8.3, the Buyer must be informed at least 10 days before the scheduled start of commissioning. The same applies to the formal acceptance of the completed work. The Supplier must be present during commissioning and formal acceptance of the completed work. The Buyer may request the consultation of a third party expert for the respective tests and examinations. No extra costs will arise for the Buyer for such consultation.
- 8.5 Insofar as the Buyer uses parts of the subject matter of the contract prior to the formal acceptance of the completed work, the Supplier is not liable for damages caused by the Buyer. Any wear and tear caused by such use has to be remedied by the Supplier prior to formal acceptance of the completed work. Such use does not constitute a transfer of risk to the Buyer.
- 9. Warranty, liability**
- 9.1 The statutory provisions concerning defects in quality and title (hereinafter referred to as defects in quality) apply unless specified otherwise below.
- 9.2 A defect in quality is given when the agreed subject matter of the contract differs from the delivered subject matter of the contract.
- 9.3 The acceptance of the subject matter of the contract is subject to the inspection regarding absence of defects in quality, in particular with regard to accuracy, completeness and suitability. The Buyer is entitled to examine the subject matter of the contract as and when appropriate in the ordinary course of business. The Buyer objects without undue delay to defects in quality found during quality control. The Supplier insofar waives the objection of a delayed notice of defect in quality. The data collected by the Buyer regarding quantity, weight and dimensions during an inspection of incoming goods will be relevant unless proof to the contrary is given.
- 9.4 If a defect in quality is found, the Supplier has to remedy this defect. The Buyer may decide at his discretion whether to remedy by way of rectification or by subsequent delivery. If a subsequent delivery is requested, the entire subject matter of the contract must be delivered again.
- 9.5 The Buyer's claim to remedy the defect in quality expires after 24 months following the free-from-defects acceptance at the site of the end customer, at the lat-

- est, however, after 36 months following the acceptance of the delivery by the Buyer, unless both parties have come to a different written agreement. It will be sufficient for the Buyer to sustain his claim if the defect in quality has been notified within the above mentioned period.
- 9.6 If a defect in quality appears after a transfer of risk within the period stipulated in section 9.5 sentence 1, it is presumed that the defect in quality already existed at the time of the transfer of risk, unless this is inconsistent with the nature of the matter or the defect in quality.
- 9.7 If a rectification has to be performed, the Buyer must impose an appropriate deadline for the Supplier during which the rectification must be carried out. If the Supplier fails to remedy a notified defect in quality within this deadline, the Buyer may perform the remedy in the name and at the risk of the Supplier himself, or he may instruct third parties to do so. Furthermore, the Buyer is entitled to terminate the contract.
- 9.8 In case of emergency, in particular in order to avert imminent danger or to avoid significant damage, the Buyer may act without prior notification as per section 9.7.
- 9.9 The time period defined in section 9.5, sentence 1 is suspended for the duration of a rectification or subsequent delivery until the Supplier has satisfied the claims for rectification in full. The time period as per section 9.5, sentence 1 starts anew for all rectified or subsequently delivered subject matters of the contract.
- 9.10 The Supplier must provide compensation for any violation of an obligation and the damage resulting thereof. Furthermore, the Buyer may also reduce the purchasing price or withdraw from the contract. Further claims remain unaffected. In particular, the Supplier must bear all costs and disbursements incurred in connection with 9.1-9.8 due to defective delivery of the subject matter of the contract, including but not limited to transportation costs, travel costs, labour costs, material costs, or costs of a quality control exceeding the usual scope; this also applies to costs that the Buyer must reimburse to the Buyer's customers.
- 9.11 If the Buyer takes back products manufactured and/or sold by him on the grounds of defectiveness of the subject matter of the contract delivered by the Supplier, or if the purchasing price was reduced for the Buyer for this reason, or if any other claims were asserted against the Buyer, he shall reserve the right to take recourse against the Supplier.
- 9.12 The Buyer may withhold payment as long as a defect in quality exists.
- 9.13 In the event of defects in title, the Supplier indemnifies the Buyer and the Buyer's customers from claims of third parties. A limitation period of 10 years applies to defects in title.
- 9.14 With regard to subject matters of the contract that are inextricably connected to the ground (immovable objects), the Buyer's claim for remedy of a defect in quality shall expire, contrary to the stipulations of section 9.5 sentence 1, not before 60 months following the free-from-defects acceptance at the site of the end customer, unless both parties have come to a different written agreement. All other stipulations shall remain in effect.
- 10. Other liabilities**
- 10.1 The Supplier shall hold the Buyer harmless from all claims regarding product liability, if and insofar as damages are directly attributable to a defect in the subject matter of the contract supplied by the Supplier. In case of liability based on fault, the Supplier shall only indemnify the Buyer if the default is solely attributable to the Supplier. If the cause of damage lies within the Supplier's responsibility, the Supplier bears the burden of proof in this respect. In such cases, the Supplier assumes all costs and disbursements, including any costs for legal proceedings or product recalls.
- 10.2 The Supplier undertakes to enter into a business and product liability insurance with additional product-related liability insurance covering persons and property and product recalls. This insurance must at least have the stated rating with the following rating agencies (A.M.Best: A/A-, Fitch: AA, Moody's: Aa, Standard & Poor's: AA). In each case, the coverage must be at least EUR 10 million for personal injuries and material damages as well as for product-related damages and recalls. The Supplier must present the insurance certificate upon request of the Buyer.
- 11. Assignment of claims**
- 11.1 The Supplier may not assign or offset his claims against the Buyer, or have them collected by third parties without prior written consent that may not be unreasonably withheld.
- 11.2 The Buyer may retain payments or declare an offset of claims on the grounds of counterclaims.
- 11.3 This applies to all counterclaims of affiliated companies within the Buyer's group of companies.
- 12. Property, provision of tools**
- 12.1 Retention of title on behalf of the Supplier specifically requires a separate agreement in order to be effective.
- 12.2 Materials and tools provided by the Buyer remain the property of the Buyer and may only be used for their intended purpose. A processing of materials and the assembly of parts are carried out on behalf of the Buyer. Insofar as the Supplier keeps the products safe that are manufactured by using the Buyer's materials, the Buyer is joint owner of these products manufactured in the proportion of the value of the provided material to the value of the whole product.
- 12.3 Upon request of the Buyer, the Supplier must clearly and visibly mark any tools provided by the Buyer as property of the Buyer. Furthermore, the Supplier is obliged to use the tools provided exclusively for the production of the ordered subject matters of the contract. The Supplier must insure the tools provided by the Buyer at his own expense against loss or damage caused by theft, fire and water, with the insured sum being adequate to cover replacement costs. The Supplier is obliged to carry out any necessary maintenance and inspection works in good time and at his own expense. The Supplier must immediately notify the Buyer of any incidents.
- 12.4 Upon request, the Supplier must immediately return the provided material and/or tools to the buyer. A right of retention is excluded.
- 13. Quality and documentation, audit**
- 13.1 With regard to his delivery, the Supplier must apply state-of-the-art science and technology and comply with the safety regulations prevailing both in the country of the Buyer and in the country of end user named in the supply contract, and he must comply with the technical data agreed upon. The Supplier must establish and prove an adequate quality management.
- 13.2 The Supplier is obliged to deliver a CE declaration of conformity including the relevant documentation together with the first delivery.
- 13.3 The Supplier must record in his quality records that a production free from defects was ensured for all subject matters of the contract, stating the dates and methods of production and the persons responsible. The Supplier must keep these records for 15 years and must present them to the Buyer upon request. The Supplier has to commit his subcontractors to carry out the same procedure.
- 13.4 Upon request, the Supplier must deliver drawings, construction documents, technical calculations and spare parts lists.

13.5 Upon request, the Supplier shall allow the Buyer or a person authorised by the Buyer during customary hours of business - even without prior appointment - to visit the production sites and business premises for information regarding the Supplier's quality assurance management system and the respective production progress of the subject matters of the contract. This right also extends to the Supplier's suppliers and subcontractors whom the Supplier has to commit to act accordingly.

#### **14. Safety, environmental protection, social standards and human rights**

14.1 Individuals who carry out work on factory premises of the Buyer or third parties in fulfilment of the contract shall observe the respective work regulations. Liability for accidents that happen to these persons on the factory premises is excluded, insofar as these were not caused by intentional or grossly negligent breach of duty by the respective legal representatives or vicarious agents.

14.2 Health and safety: Suppliers must ensure that their working environments are safe and conducive to health. They should take adequate measures to prevent accidents, injuries and occupational diseases.

14.3 The Supplier undertakes to comply with all local statutory environmental regulations in the manufacture of the contractual items; it shall provide suitable proof upon request.

14.4 Environmental laws and regulations: Suppliers shall comply with all applicable environmental laws, regulations and standards and be committed to sustainable resource use.

14.5 Packaging should be designed in such a way that it is easily separable and recyclable, mixed containers are avoided and materials made from naturally renewable raw materials are used. Appropriate product and material information shall be provided.

14.6 The Supplier is prohibited from offering gifts and other benefits. Any attempt at bribery shall lead to immediate termination of the business relationship.

14.7 The Supplier undertakes not to employ workers illegally. The Supplier shall ensure that all its personnel are properly employed and have valid visas and work permits. The Supplier shall indemnify and hold harmless the Buyer from and against any damages or actions (including legal costs) that may arise out of the assertion of claims made under these provisions.

14.8 The Supplier undertakes to comply with the Buyer's Declaration of Principles (CSR Code of Conduct) on respect for human rights, which is available on the Buyer's website at <https://www.keller.de/Einkauf>. Both for a framework contract and for the individual orders and purchase orders based on it, the version of the Declaration of Principles valid at the time of the conclusion of the contract shall apply.

Any breach of Clauses 14.1 to 14.8 shall entitle the Buyer to rescind the contract.

#### **15. Payment of the statutory minimum wage under the German Minimum Wage Act (MiLoG)**

15.1 The Supplier warrants to pay its employees the statutory minimum wage and also to oblige its subcontractors and their subcontractors accordingly. The Supplier declares that it is not excluded from awarding public contracts.

15.2 The following shall apply in the event that services or work performances are provided in the economic sectors or branches of industry specified in section 2a of the German Act to Combat Undeclared Work and Unlawful Employment:

The Supplier shall be obliged to provide proof of payment of the minimum wage by the Contracting Party and, if applicable, its subcontractors for the period of the last two years relevant for the record-keeping obligation pursuant to section 17 of the German Min-

imum Wage Act (MiLoG) at any time upon request by the Buyer. This proof shall be provided by submitting corresponding records of hours worked and remuneration paid for this.

15.3 Furthermore, the Supplier shall grant access to the relevant (anonymised) payrolls at any time upon request.

15.4 In the event of claims being made against the Buyer in this respect by third parties (section 13 MiLoG, section 14 AEntG [German Act on Mandatory Working Conditions for Workers Posted Across Borders and for Workers Regularly Employed in Germany]), the Supplier shall indemnify the Buyer against all claims, including legal defence costs, upon first written request.

15.5 Should the Supplier violate the provisions set forth herein, the Buyer shall be entitled to terminate the contractual relationship extraordinarily without notice. This shall also apply in the event of a breach of the agreed obligations to provide evidence by the contractual partner.

#### **16. Compliance with the Requirements of the German Supply Chain Act (LkSG)**

16.1 The Supplier undertakes to comply with the prohibitions standardised in the German Supply Chain Act (LkSG). These include in particular the prohibitions of child labour, slavery and forced labour, the disregard of occupational health and safety, the withholding of an appropriate wage, the disregard of the right to form trade unions or employee representatives, the denial of access to food and water as well as the unlawful deprivation of land and livelihoods.

16.2 The Supplier undertakes to comply with the Buyer's Declaration of Principles (CSR Code of Conduct) on respect for human rights, which is available on the Buyer's website at <https://www.keller.de/Einkauf>. Both for the framework contract and for the individual orders and purchase orders based on it, the version of the Declaration of Principles valid at the time of the conclusion of the contract shall apply.

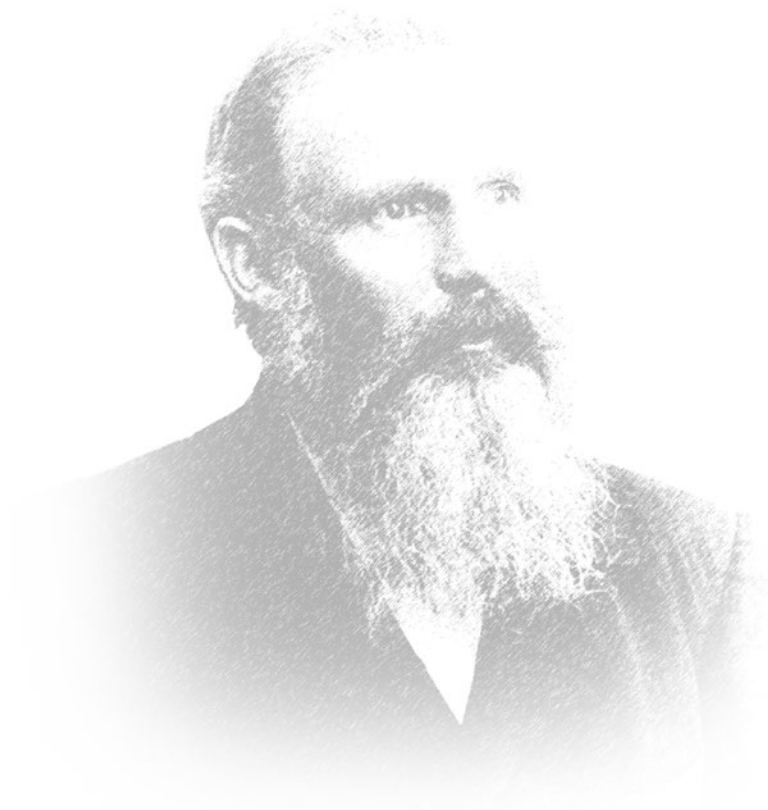
16.3 Within the scope of the provision of services for the Buyer, the Supplier is obliged to work exclusively with suppliers who undertake to comply with the standards from the German Supply Chain Act (LkSG) and the contents of the Buyer's Declaration of Principles. In the event of a possible violation of the standards from the German Supply Chain Act (LkSG) or the Declaration of Principles by indirect suppliers, the Supplier shall work closely with the Buyer to remedy the violation. The Supplier shall endeavour to ensure that its subcontractors and other suppliers also comply with these expectations as referred to in section 2 (7) and (8) of the German Supply Chain Act (LkSG).

16.4 The Supplier grants the Buyer the right to conduct training to enforce the obligations under the preceding paragraphs.

16.5 The Buyer shall be entitled to verify the compliance of the contractual partner with the above-mentioned expectations by means of an audit if there is sufficient cause to do so. Sufficient cause shall be deemed to exist, among other things, if the Buyer must expect a significantly changed or significantly expanded risk situation at the contracting party. The supplier shall grant the buyer reasonable access to relevant areas and documents. An inspection shall be announced by the Buyer in good time in advance. Unless otherwise agreed, the inspection shall be carried out during the business hours of the contracting party and shall not substantially affect its business operations. If the inspection reveals that the obligations are not being complied with by the contracting party as intended, the Supplier shall comply with the obligations within a reasonable period of time. The costs of an inspection shall be borne by the Buyer, unless it turns out that the Supplier has not complied with its obligations as intended. In this case, the entire costs shall be borne by the contracting party.

- 16.6 The Supplier shall inform the Buyer without being asked about identified risks and possible violations according to section 2 (2 to 4) of the German Supply Chain Act (LkSG) in its own business area. In the event of substantiated knowledge of possible violations in its supply chain, the Supplier shall also inform the Buyer without being requested to do so. Information in this regard shall be provided in writing or in text form. Substantiated knowledge means that the contracting party has factual indications which make a violation of a human rights-related or an environmental obligation at indirect suppliers appear possible.
- 16.7 The Supplier shall provide the Buyer with reasonable support in the creation and implementation of a concept to end or minimise the violation. The support service includes, among other things, the transmission of all related information.
- 16.8 The obligations from the aforementioned paragraphs are essential cooperation obligations of the Supplier. In the event of violations of these obligations, the remedial measures specified in section 7 of the German Supply Chain Act (LkSG) shall be initiated without delay. The Buyer is entitled to terminate the contractual relationship for good cause under the conditions of section 7 (3) of the German Supply Chain Act (LkSG). This shall also apply in the event of a breach of the agreed obligations to provide evidence by the contractual partner.
- 17. Compliance with the requirements of EU legislation - REACH Regulation and RoHS Directive**
- The REACH Regulation (Registration, Evaluation, Authorisation and Restriction of Chemicals) and the RoHS Directive (Restriction of Hazardous Substances) are EU laws that regulate the use of certain hazardous chemicals in products.
- 17.1 REACH Regulation**
- 17.1.1 Registration obligation: The Supplier must ensure that all chemical substances contained in the products it supplies in quantities exceeding one tonne per year per substance are registered in accordance with the provisions of the REACH Regulation. This means that the Supplier must provide the necessary information and documentation to ensure compliance with the registration requirements.
- 17.1.2 Communication of Safety Data Sheets (SDS): The Supplier must provide the current and complete Safety Data Sheets (SDS) for all chemicals and substances contained in the supplied products. The SDSs shall provide relevant information on safe use, handling and exposure to hazardous chemicals.
- 17.2 RoHS Directive**
- 17.2.1 Restriction of hazardous substances: The Supplier must ensure that the products it supplies comply with the restrictions set out in the RoHS Directive. This directive sets limits for certain hazardous substances in electrical and electronic equipment, including lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyls (PBB) and polybrominated diphenyl ethers (PBDE). The Supplier must ensure that these substances are not present in concentrations above the prescribed limits in the products supplied.
- 17.2.1 Proof of conformity: The Supplier must provide evidence and certificates of compliance with the RoHS Directive for the products supplied. This can be done by test reports from accredited laboratories or other appropriate documentation proving that the products comply with the prescribed restrictions.
- 18. Final provisions, termination**
- 18.1 Contracts, orders and order confirmations and any declaration must be in writing. This requirement may be waived by prior written agreement.
- 18.2 If required, the Supplier shall set up a consignment warehouse at the request of the Buyer. In this case, the contracting parties shall conclude a separate contract on this.
- 18.3 The contractual relations shall be governed by the law of the Buyer's domicile to the exclusion to the exclusion of any conflict of laws and the United Nations Convention on Contracts for the International Sale of Goods (CISG).
- 18.4 If insolvency proceedings are initiated in respect of the Supplier or its assets, or judicial or extra-judicial composition proceedings are applied for, the Buyer shall be entitled to withdraw from the contract for the part not performed.
- 18.5 Should any provision of these Terms and Conditions of Purchase and the further agreements made be or become invalid, the validity of the Terms and Conditions of Purchase in other respects shall not be affected. The contracting parties shall be obliged to replace the invalid provision by a provision which comes as close as possible to it in terms of economic success.
- 18.6 The Buyer is entitled to terminate the contract at any time without notice, in particular if the Buyer's end customer withdraws (cancels) the order or if the Buyer's investment project is stopped. In this case, however, the Supplier shall be entitled to reimbursement of the costs incurred up to that point, provided that such costs are credibly proven
- 18.7 A claim for reimbursement of the costs incurred shall not apply if the contract is terminated for good cause. Good cause shall be deemed to exist, in particular,
- (a) in the event of force majeure, industrial disputes or operational disruptions for which the Supplier is not responsible and which prevent performance of the contract for a period of more than twenty-eight calendar days,
- (b) if insolvency proceedings have been initiated against the Supplier and/or provisional insolvency proceedings exist (planned insolvency),
- (c) if significant changes occur in the legal status or in the shareholding and control relationships at the Supplier so that the Buyer can no longer reasonably be expected to adhere to this contract (in particular in the case of the participation of a competitor),
- (d) if the Supplier is repeatedly unable to deliver the subject matter of the contract in the required quantity, quality or at non-competitive prices or within the agreed time periods, or, if a subsequent improvement has been unsuccessful.
- 18.8 In the event of termination for good cause, the Buyer shall be entitled to take possession of all documents, tools, equipment or other items necessary in connection with the performance of the Supplier's owed service, to use them either in the manner the Buyer deems appropriate and/or to use them for the partial satisfaction of any claims.
- 19. Place of jurisdiction and applicable law**
- 19.1 Osnabrück (Germany) shall be deemed agreed as the place of jurisdiction. German law shall apply in the event of disputes. The applicability of the UN Convention on Contracts for the International Sale of Goods is also expressly excluded in the event that its application is provided for in the Supplier's terms and conditions.
- 20. Reference to General Data Protection Regulation**
- 20.1 Insofar as it is necessary for the fulfilment of the contract and for the implementation of pre-contractual measures, we process personal data, such as contact persons and business contact data.
- The handling of personal data is governed by the provisions of the General Data Protection Regulation (GDPR) and, if applicable, other data protection provisions.

As of 01.11.2023



*Hightech solutions from tradition*

**KELLER**

*Creating Solutions*

KELLER HCW GmbH · Carl-Keller-Str. 2-10 · D-49479 Ibbenbüren · Germany  
☎ +49 (0) 5451 85-0 · 📠 +49 (0) 5451 85310 · ✉ info@keller.de · 🏠 www.keller.de

**KELLER** A DIVISION OF GROUPE LEGRIS INDUSTRIES