



Terms and Conditions for Subcontractors of the R&M Group

1. Basis of the Contract

The contractual documents of this contract apply in the following order of precedence:

- I. The negotiation protocol for subcontractor services, together with the corresponding written order.
- II. The performance specifications, along with all and any additions, plans, drawings and samples, etc.
- III. These contractual terms and conditions for Subcontractors.
- IV. The contractual terms and conditions agreed between the R&M Group Company (hereinafter "R&M") and its client (hereinafter "the End-Customer") in accordance with sect. 2 of the negotiation protocol, insofar as they affect the contract between R&M and its Subcontractor.
- V. All applicable technical specifications and recognized industrial standards, in their corresponding latest versions (e.g. SOLAS, IMO; ISO, EN, DIN-, VDI and VDE standards, etc.).

Unless explicitly agreed, the Subcontractor's general terms and conditions of business, delivery, sale and payment shall not become a binding part of the contract. The same applies to all and any reservations, assumptions and restrictions, etc. that the Subcontractor might express prior to negotiations which shall only form part of the contract if the parties have expressly agreed upon such an inclusion.

2. Scope of Services

- 2.1 All services (including supplementary services) provided by the Subcontractor which are necessary to achieve the purpose of the contract according to the contractual basis are compensated by the unit prices and lump sums agreed on the contract, for achieving the contractual purpose of that contract. This applies in particular to all wages, salaries, fees, costs, expenses, licenses, charges and relevant taxes. These prices also cover the costs of training R&M employees in the operation and maintenance of equipment and systems supplied and/or installed by the Subcontractor.
- 2.2 R&M reserves the right to amend plans and drawings and issue other instructions.
- 2.3 The Subcontractor undertakes to supply at R&M's request services that have not been agreed on in the contract, but which are required for the completion of contractual scope, unless its operating facilities are not equipped for the delivery of such services. Other services can only be assigned to the Subcontractor with its consent.

3. Remuneration

- 3.1 Contractual prices are fixed and understood to be net amounts without value added tax (VAT). VAT shall be compensated separately after the date on which it falls due and in accordance with applicable statutory provisions.
- 3.2 The Subcontractor shall be entitled to separate remuneration for services not stipulated in the contract. The Subcontractor, however, must announce its claim for additional remuneration before commencing the performance of the respective works. Remuneration shall be determined in accordance with the calculation of contractual scope and the specific costs of the additional services.
- 3.3 Quotations for additional claims shall be submitted in accordance with the base calculation, without discount. The agreed discount shall be considered only after R&M has issued the corresponding order. The subcontractor undertakes to disclose its price calculations regarding hourly rates, hourly wages, material costs and surcharges. The Subcontractor must submit its quotation before commencing the respective additional work. If the Subcontractor fails to do so, R&M is entitled to fix prices for additional works at equitable discretion.
- 3.4 Services that the Subcontractor supplies without an order, or in unauthorized deviation from the contract, shall not be reimbursed. The Subcontractor shall remove the respective works and supplies within a reasonable time. R&M shall otherwise be entitled to conduct substitute performance at the Subcontractor's expense. The Subcontractor shall be liable for all other losses and damage resulting from this. However, the Subcontractor shall be entitled to remuneration if R&M subsequently approves the services concerned. The Subcontractor shall be entitled to compensation if the services are required for fulfilment of the contract, are in accordance with R&M's interest and were notified immediately.
- 3.5 Work charged at hourly rates shall only be remunerated if such work was explicitly agreed to before its commencement. The records for performed man-hours shall be submitted to R&M site management no later than two working days after completion of the respective works. If subsequent verification reveals that already signed man-hour reports concern services (including ancillary services) to be provided according to the contractual scope, these shall not be remunerated. The hourly wage rates agreed to between R&M and the Subcontractor include all additional costs such as social security contributions, taxes and other charges, applicable allowances and supplements, travel, accommodation and PSE, work clothes and other

- equipment, otherwise explicitly agreed to with the Subcontractor.
- 3.6 The hourly wages agreed between R&M and the Subcontractor shall include all ancillary costs such as social security contributions, taxes, other levies, any allowances and supplements, allowances, travel expenses and accommodation as well as PPE, work clothing and other work equipment, unless expressly agreed otherwise with the Subcontractor.

4. Production documentation

- 4.1 The Subcontractor shall request from R&M in a timely manner the information and documents which are required to perform the contractual services and shall review them immediately after receipt for completeness and correctness. The Subcontractor shall verify or check all the information made available in the documents provided by R&M, insofar as it concerns it to be provided by the Subcontractor. The Subcontractor must immediately notify R&M of any discrepancies. The production tolerances agreed based on specified measures shall be mutually agreed with R&M. The Subcontractor shall bear all the negative consequences affecting R&M and itself in the event of its failure to fulfil these obligations.
- 4.2 R&M shall retain legal title to all drawings, calculations, certificates and all other project-related documents supplied to the Subcontractor. The Subcontractor shall use them only for confirmed contractual purposes and is not entitled to publish them or otherwise make them available to any third party or parties without the previous consent of R&M.
- 4.3 The Subcontractor shall not publish details of its services or of any part of the construction project without the prior consent of R&M. The Subcontractor undertakes not to disclose to any third party or parties the business secrets and/or confidential information that he might acquire relating to the Subcontractor contract.
- 4.4 The Subcontractor shall produce, without extra charge, all calculations and completion plans required for its services, insofar as R&M does not supply such items, and shall make them available for use by R&M in a timely manner and without being asked to do so, in such a way that gives R&M reasonable time to verify them and carry out possible corrections without any delay to construction work carried out by the Subcontractor. The term "reasonable time" normally refers to a period of three weeks. If the Subcontractor fails to meet this deadline, and the late issue of approval of calculations and completion plans leads to delays, the Subcontractor cannot allege that he has been impeded in the performance of its services. The Subcontractor shall continue to be responsible and liable, even after submission to R&M, for the completeness and accuracy of the project-related documents that the Subcontractor procures or draws up.
- 4.5 The Subcontractor undertakes to verify, in a timely and adequate manner, the actual nature and location of the construction site, its accessibility and its suitability for the delivery of the Subcontractor's services. The Subcontractor undertakes, in particular and on its own initiative, to verify the availability and location of power and utility supplies, drains, sewers and cables, etc. in the respective working locations.

5. Completion

- 5.1 R&M shall be entitled to make instructions, with the involvement of the Subcontractor's management team, to ensure delivery of services as specified in the contract. If Subcontractor considers R&M's instructions as unjustified or inappropriate, it must submit its concerns in writing but must nevertheless implement the instructions concerned if asked to do so, unless conflicted by statutory provision or official regulation.
- 5.2 If the Subcontractor has concerns regarding the intended execution of the contractual services, the quality of materials or components supplied by R&M or the services provided by other subcontractors, it must submit its concerns to R&M in writing without delay, preferably before the commencement of the respective services. If Subcontractor fails to do so, it shall bear full responsibility for all and any losses, damage and costs that might result from that breach of contract.
- 5.3 The Subcontractor shall adequately protect from damage and theft and insure, as appropriate, up to the moment of acceptance, its completed work and all items that R&M might supply for this purpose.
- 5.4 The Subcontractor shall designate, before work begins, the responsible site manager. The person concerned must be fluent in the contractual language. This person and/or its or her designated deputy (likewise named before work begins) must be present on site all the time. The Subcontractor hereby expressly confirms that its site manager and deputy site manager are empowered to issue declarations of intent both in and against the Subcontractor's interests, and that they are authorized to receive notifications.
- 5.5 The Subcontractor shall provide, without request, proof of compliance with the quality standards of the materials and products delivered. These include, without being limited to, all and any IMO/MED

certificates that might be relevant. The Subcontractor shall supply and install, when asked to do so by R&M, samples and trial versions of the materials and components that the Subcontractor intends to use. The Subcontractor shall bear the costs of these items and of test and production certificates specified by R&M.

- 5.6 R&M may instruct Subcontractor to remove personnel from the construction site and engage substitutes for all and any employees who are professionally or personally unsuitable, or who fail to use obligatory personal safety equipment, or who cannot provide a valid work permit.
- 5.7 As a basic principle, the Subcontractor shall supply its services on its own behalf. Further subcontracting of contractual services by Subcontractor requires the prior written consent of R&M. This also applies to all and any further subcontracting of services by the Subcontractor to other subcontractors and/or service providers, even and insofar as this takes place in the context of a so-called "subcontracting chain". If the Subcontractor engages its own subcontractors, without the written consent of R&M, to deliver services on the construction site or on other operating premises of R&M, R&M may give the Subcontractor reasonable notice to begin delivering such services on its own behalf, on the understanding that R&M may terminate the contract if the Subcontractor fails to comply before the expiry of this deadline. The Subcontractor is obliged, when delivering its services, only to engage employees from outside the European Union if such employees possess a valid residence permit with entitlement to take up employment.
- 5.8 The Subcontractor undertakes to remove and dispose of, during each working day, the waste and remains of packaging material that it generates. If the Subcontractor fails to meet this obligation despite the granting of a reasonable period of grace, R&M shall be entitled to arrange for disposal at the Subcontractor's expense. No period of grace is required for the removal and disposal of combustible waste and packaging materials which, according to SOLAS, must not remain on board a vessel.

6. Obstructions and interruptions affecting completion

- 6.1 If the Subcontractor assumes that he is being obstructed in the proper completion of its work, he must immediately notify R&M in writing. This also applies in the event of obvious obstructions. The Subcontractor shall make all reasonable effort to facilitate the continued completion of its works. The Subcontractor must immediately resume work, and notify R&M accordingly, as soon as the circumstances having caused such obstruction to cease to exist.
- 6.2 If the Subcontractor is at least able to continue work in a partial manner, despite the obstruction, R&M and the subcontractor shall make joint efforts to mitigate the results of obstruction and reach a mutual agreement, if applicable, that reasonably considers the restrictions on work arising from such obstruction. If this is not possible, R&M shall reach, at equitable discretion, a reasonable decision.
- 6.3 If the obstructing circumstances are attributable to a contract party, the other party shall be entitled to claim compensation for verifiable losses and damage, although it may only claim a loss of profit in the event of willful misconduct or gross negligence. Obstructions common for such kinds of projects shall not entitle either party to claim compensation.

7. Deadlines, delays and contractual penalties

The deadlines stipulated in the contract (construction schedule) shall be binding.

- 7.1 The individual deadlines agreed in the contract (construction schedule) shall be deemed binding contractual deadlines.
- 7.2 The Subcontractor shall be in default if the deadlines pursuant to 7.1 are exceeded without further reminder and setting of a deadline if it is responsible for the delay.
- 7.3 The contractual penalty for delays shall be 0.2% of the total net invoiced amount per working day if the final deadline is exceeded; if the intermediate deadlines are exceeded, the contractual penalty shall be 0.2% of the net invoiced amount per working day for the service section whose completion date is exceeded. A contractual penalty forfeited once for an interim deadline shall be offset against any subsequent contractual penalties for further interim deadlines and/or the completion date. The contractual penalty is limited to a total of 5% of the net settlement amount.
- 7.4 R&M does not need to reserve the right to assert the contractual penalty upon acceptance. R&M may assert it until the final payment.

8. Cancellation, Withdrawal from and Termination of the Contract by R&M

- 8.1 R&M may terminate the contract at any time due to substantial reasons or in accordance with the provisions of the applicable law. Notice of termination must be issued in writing. If R&M terminates the contract as a whole or in part freely, the Subcontractor shall not be entitled to compensation for loss of profit if it is offered an equivalent replacement contract.

- 8.2 If the Subcontractor is unable to carry out its obligations in accordance with the contract and on schedule, in a manner that threatens the fulfilment of completion deadlines, R&M shall be entitled, after issuing a corresponding warning and granting a period of grace, and without partial termination of the contract, to award for the affected part of the products and services to be delivered another subcontractor at the Subcontractor's expense.
- 8.3 R&M shall be entitled to issue a notice of extraordinary termination if the Subcontractor fails to fulfil the legal requirements associated with the delivery of its products and services (e.g. concerning work permits, the payment of taxes and social security contributions, the employment of temporary/agency workers), or is unable to provide, or provide in a timely manner, documentary evidence that R&M is entitled to demand under the terms of the contract, or if R&M or the completion of the project are likely to be at a significant disadvantage.

9. Liability/insurance

- 9.1 If a third party or parties should act against R&M for loss and damage attributable to the Subcontractor, the Subcontractor shall immediately hold R&M harmless against all such resulting claims.
- 9.2 The Subcontractor shall provide R&M with evidence of the existence, and maintenance throughout the project period, of suitable insurance supplying adequate cover and up to a sufficient amount. The liability insurance subject to such proof must include an extended product-liability clause, unless the services of the Subcontractor are limited exclusively to the installation, repair or maintenance of products manufactured and supplied by third parties, or to the provision of instructions for the use of such products.
- 9.3 Failure to provide proof of such insurance cover shall entitle R&M, after the issuing of a warning and the granting of a suitable period of grace, to terminate the contract or conclude a liability insurance, in favor of the Subcontractor and at its expense, for the apparently missing insurance cover.

10. Acceptance

- 10.1 The Subcontractor shall notify R&M in writing of the completion of its services.
- 10.2 A formal acceptance procedure is mandatory. Either party may arrange, at its own expense, a qualified expert, whose findings shall be stipulated in writing after joint negotiation. This written record shall include all and any reservations regarding known defects and contractual penalties, along with any objections on the Subcontractor's part. Each party shall receive a copy of this record. However, if and insofar as it is agreed that the Subcontractor's services are to be accepted by R&M during the End-Customer's acceptance of overall performance, it is generally sufficient that R&M provides the Subcontractor with a summary of the overall acceptance report. The acceptance deadline and R&M's rights of reservation likewise apply with effect to the Subcontractor in such cases. The Subcontractor may however request separate, formal acceptance of its services, provided he has notified R&M accordingly in written notification of completion. Assumed fictitious acceptance is excluded.

11. Claims due to defects

- 11.1 The period of limitation for warranty claims concerning the Subcontractor's services in their entirety is 25 months, unless otherwise specifically agreed. The warranty period starts with the complete, defect-free transfer of goods or services or final acceptance.
- 11.2 Whenever it is asked to do so in writing by R&M, the Subcontractor shall rectify, at its own expense and throughout the warranty period, all defects of delivered products and services. Claims to remedy the respective defect shall expire after two years, counted from the receipt of the corresponding written request, but not before the expiry of the period defined in clause 11.1. Once the corresponding repair or remedy has been accepted, the warranty period covering the products and services concerned shall be extended by an additional two years but shall in any case not expire before the date defined in clause 11.1.
- 11.3 Upon receipt of R&M's written notice of defects by the Subcontractor, the limitation period for warranty claims shall be suspended until the Subcontractor rejects the claims, declares the defect remedied or otherwise refuses to continue negotiations on the claims raised. In the event of replacement delivery and rectification of defects, the warranty period for replaced and repaired parts shall begin to run again, unless the Subcontractor has only made the replacement delivery or rectified the defect as a gesture of goodwill or for similar reasons and has notified R&M of this in advance.
- 11.4 If the Subcontractor fails to rectify a defect within a reasonable time after a respective request has been issued by R&M, R&M shall be entitled to remedy the defect at the Subcontractor's expense.
- 11.5 The Subcontractor assigns its claims for defects, warranty and damages against its suppliers to R&M on

account of performance, which accepts the assignment upon conclusion of the purchase contract. The Subcontractor is authorized to assert the claims against its subcontractors until revocation. The Subcontractor's liability for defects remains unaffected by this assignment of claims.

12. Payment

- 12.1 Invoices shall be issued, depending on contractual agreements, for a lump sum or at mutually agreed rates (unit prices). The accumulated invoices submitted must be verifiable and must include the corresponding and clearly legible order number, project designation, project number, a breakdown of services supplied, and details of all payments received.
- 12.2 Final payment should be made subject to the deduction of the agreed amount retained for warranty claims. If there is no separate agreement regarding the amount retained for such claims, it is agreed that 5% of the total invoiced amount shall be retained. The payment of the final invoice shall not exclude further claims regarding incorrectly calculated services or receivables. The loss of enrichment cannot be claimed.
- 12.3 R&M shall settle payments within 30 calendar days, unless otherwise expressly agreed.
- 12.4 The payment period shall commence on the date of receipt of the invoice concerned. The date of issuing the payment instruction to the bank or the posting date of the cheque shall be determined for timely payment by R&M.

13. Health and Safety in the Workplace

- 13.1 The Subcontractor shall be responsible for the full observance of all statutory provisions and end-customer specifications that might be in force during the delivery of services regarding the workplace health and safety of its employees and those of its own subcontractors.
- 13.2 R&M's site manager shall be entitled to issue instructions regarding workplace health and safety to employees of the Subcontractor and of its suppliers. A coordinator appointed by the end-customer shall likewise be authorized to issue such instructions.
- 13.3 The Subcontractor shall appoint a supervisor to act and negotiate on its behalf in the completion of the order. The Subcontractor shall nominate its site supervisor by written notification to R&M's site manager before commencing performance of services.
- 13.4 The Subcontractor shall require special permission for all and any use that it might make of R&M's plant equipment or machinery during the delivery of its services. R&M shall issue the corresponding instruction(s) to the Subcontractor's supervisor, who shall in turn be solely responsible for instructing the employees of the Subcontractor and those of its own subcontractors.
- 13.5 The Subcontractor shall notify R&M site management immediately and in writing of every workplace accident involving its site employees that requires a doctor's attention.
- 13.6 R&M shall be entitled to expel from the construction site any individual employee of the Subcontractor or of its own subcontractors who infringes the above-mentioned rules. R&M may terminate the contract for good reasons and without notice in the event of serious or repeated infringements in this respect.

14. Statutory minimum wage and social security contributions

The Subcontractor hereby confirms that it pays its employees the legally or by collective labor agreement specified minimum wage, and that it fulfills the social security contributions corresponding to both the country in which the contract was entered into and the country of deployment. Corresponding proof of compliance with the above wage and social security obligations must be supplied to R&M on demand.

The Subcontractor shall be liable to R&M inter se for all and any infringement of wage-payment obligations and/or failure to fulfil the corresponding statutory social security contributions.

R&M shall be entitled, in the event of such a breach of contract and after granting - without success - a period of grace for compliance, to terminate the contract for good reason and award the remaining part of the products and services to a third party at the Subcontractor's expense.

15. R&M Compliance Principles Applying to Subcontractors and Suppliers

The Subcontractor shall be obliged to observe the "R&M Group Compliance Principles Applying to Suppliers and Subcontractors".

16. Sanctions, Export Controls and Origin of Goods

- 16.1 R&M shall be released from all obligations arising from or in connection with the contract (including compensation for damages) if there are obstacles due to national or international regulations of foreign trade law or an embargo and/or other sanctions that prevent R&M from fulfilling the contract.
- 16.2 The Subcontractor is obliged to comply with all German and EU regulations as well as regulations of the

USA, the United Kingdom and China that relate to the import, export or re-export of the goods (i.e. goods, software, technology) that are the subject of the contract. In particular, the Subcontractor shall not supply R&M with any goods that are subject to an import ban in the European Union, USA, United Kingdom or China.

- 16.3 Immediately after the binding order, the Subcontractor shall provide R&M free of charge with the relevant information for all goods delivered within the scope of the order by submitting a form containing at least the declaration on export restrictions, the statistical commodity codes and the origin and preferences of the goods or shall transmit these on other trade documents in a suitable form. The Subcontractor undertakes to inform R&M in writing at any time of any changes that occur.
- 16.4 Upon request, the Subcontractor shall provide R&M free of charge with all documents and evidence required for the import of the goods into the European Union or China or the country of destination.
- 16.5 The Subcontractor shall provide R&M immediately and free of charge with a legally compliant Subcontractor's declaration for goods with preferential origin status in accordance with Regulation EU 2447/2015 Annex 22-15. Other non-preferential proofs of origin must be agreed with R&M before being issued.
- 16.6 The Subcontractor shall indemnify R&M against all damages, financial losses and claims of third parties incurred by R&M because of R&M's breach of one of the above obligations, unless the Subcontractor is not responsible for the breach of obligation.

17. Miscellaneous

The Subcontractor's claims against R&M arising from this contractual relationship shall only be pledged or assigned to third parties with R&M's prior consent. All and any right on the Subcontractor's part with respect to the offsetting of counterclaims is hereby excluded, unless such claims are undisputed or enforceable by law.

18. Place of jurisdiction/applicable law

The place of jurisdiction shall be Hamburg. The laws of Germany shall apply with exclusion of the United Nations Convention on Contracts for the International Sale of Goods.

19. Severability clause

If any provision of these contractual terms and conditions or of the contractual principles listed in clause 1 should be ineffective, this shall not affect the validity of the remaining provisions.



R&M Group Compliance Principles

Applying to Suppliers and Subcontractors

Compliance of Suppliers and Subcontractors

The R&M Group and all its affiliated companies have adopted compliance as part of their corporate strategy, along with its principles of integrity, observance of the law, and ethics. The management and employees of the R&M Group stand by these principles, which are binding on them.

The R&M Group likewise expects the same conduct from its suppliers and subcontractors, with strict observance of these principles regarding integrity, observance of the law, and ethics.

Prohibition of Forced Labor and Child Labor

Suppliers and Subcontractors do not use or support any form of forced labor or child labor. They do not employ workers under the age of 15 or workers under the age of 14 in countries covered by the derogation for developing countries of ILO Convention 138. They also do not employ workers under the age of 18 for work that may endanger or harm health, safety or moral integrity.

Employees' Rights and Working Conditions

Suppliers and Subcontractors are expected to respect human rights, dignity, personal characteristics and health of each of their employees, and to ensure that their working conditions comply with all relevant safety standards. Employees are to be treated with respect and paid fair remuneration in accordance with legal minimum-wage requirements.

Undeclared Work and Illegal Employment

Illegal employment and undeclared work will not be tolerated. Suppliers and Subcontractors shall observe all relevant statutory provisions applying to the employment of personnel and take appropriate action to combat illegal employment and undeclared work.

Corruption

The R&M Group does not tolerate corruption or bribery in any way or form. Appropriate action shall be taken even if incorrect conduct is merely suspected. Suppliers and Subcontractors are expected to fight corruption within their own organizations, and to combat actively and consistently any unlawful or ethically dubious influence on decision-makers in the R&M Group, other companies and public entities.

Illegal Collusion to Prevent Competition

Suppliers and Subcontractors actively combat illegal cartels and do not participate in illegal competition agreements.

Protection of the Environment

Suppliers and Subcontractors shall observe relevant environmental standards and legislation and ensure that the environmental impact of their services is kept to an absolute minimum.

Responsible Minerals Sourcing

Suppliers and Subcontractors shall make reasonable efforts to avoid the use of raw materials originating from conflict-affected and high-risk areas that contribute to human rights violations, corruption, the financing of armed groups or similar negative impacts.

Data Privacy

Suppliers and Subcontractors process personal data confidentially and responsibly. The privacy of each individual must be respected and ensured so that personal data is effectively protected and used only for lawful purposes.

Anti-Money Laundering and Terrorism Financing

Suppliers and Subcontractors do not promote direct or indirect money laundering or the financing of terrorism.

Compliance-Related Notifications

Suppliers and Subcontractors of the R&M Group are demanded to observe the rules established in the *"R&M Group's Compliance Principles Applying to Suppliers and Subcontractors"*, and to ensure that their own subcontractors and suppliers do likewise. Proof of having done so must be provided on request.

Suppliers and Subcontractors undertake to notify the R&M Group of all and any compliance-related misconduct on the part of their employees and those of their own subcontractors and suppliers. Suspected cases must be pursued with rigor, and the R&M Group expects unconditional cooperation in the clarification of any incidents.

Consequences of infringement

If a suspected case is substantiated or if the Supplier or Subcontractor does not sufficiently fulfill its obligation to cooperate and clarify in the event of a suspected case, the R&M Group reserves the right, depending on the severity of the misconduct, to extraordinarily terminate all current contracts with the respective Supplier or Subcontractor for good cause, to permanently terminate the business relationship and to assert claims for damages.