

**General Terms and Conditions of Purchase
(Purchase Conditions)**

1. Scope of application

Our Purchase Conditions shall apply exclusively to all contracts concluded by us, including any to be concluded in the future. We shall only be bound to other general business terms and conditions of our suppliers, contractors or other contractual partners (hereinafter "Contractor") if we have expressly consented thereto in writing. The Contractor shall be deemed to have accepted our Purchase Conditions at the latest on execution of the delivery or service (hereinafter jointly referred to as "Delivery"). They shall also apply even if we accept the Delivery without reservation in the knowledge that the Contractor's general terms and conditions do not concur with our own.

2. Conclusion of contract

- a) Our orders and supply requests (hereinafter "Orders") are not binding unless we have specified that they are binding. A contract has not been concluded until we have placed an order in writing.
- b) If we have stated that an Order is binding we shall be bound by such Order for four weeks after it has been submitted.

3. Content of contract

- a) To the extent that the Contractor is not required to deliver goods and the parties have not expressly agreed otherwise the Contractor is required to render the Delivery stipulated in the contract and owes the success of such Delivery. In particular, the Delivery must be suitable for the purpose set out in the contract.
- b) To the extent that the Delivery includes the rendering of services the Contractor shall ensure that such services are state-of-the-art. The Contractor shall provide evidence of the services which it has provided as agreed upon in the order. Evidence that the services have been provided shall contain the name of the Contractor's employee, a detailed list of the services rendered, the material and the time required therefor.
- c) The Contractor shall deploy suitable and adequately qualified staff for providing the services due under the contract. The staff may only be replaced subject to our express written consent. The Contractor may only argue that we have breached our cooperation duties after it has reported this to us and after we have failed to remedy this prior to expiry of a reasonable written deadline.
- d) If the Delivery includes work or services which are rendered on our premises the Contractor and its staff shall observe our service and technical regulations (*Dienstleistungs- und Technikbestimmungen*). This includes accepting security controls.
- e) Unless otherwise agreed in writing any offers, drafts, samples, models or specimens produced by the Contractor and drawings, files, documentation and documents of the Contractor shall be provided to us free of charge in the quantities agreed. In any event the Contractor shall provide free of charge any drawings, files, documentation and documents which are required for proper use, erection, assembly, processing, storage, operation, maintenance, servicing and repair of the Delivery, describing in detail the functioning of the item delivered; further it shall provide free of charge any drawings, files,

documentation and documents which are required to obtain permits and similar. We and any third parties instructed by us may use these drawings and documents to manufacture spare parts, make modifications and such like.

- f) The Contractor may not instruct third parties and/or sub-contractors to render the Delivery in part or in whole without our written consent. The Contractor retains responsibility for rendering Delivery in accordance with the contract.
- g) The Contractor may only make part deliveries with our consent.

4. Property rights

- a) To the extent that the Contractor or its employees make inventions in the course of their contractual duties the Contractor shall notify us in writing of such inventions without undue delay as soon as the Contractor has been informed thereof by the employee and shall offer the rights to and arising from these inventions ("New Property Rights") to us. We shall inform the Contractor in writing no more than four weeks before the end of the statutory acceptance period (*Inanspruchnahmefrist*) provided for under the Employee Inventions Act (*Arbeitnehmererfindergesetz*) whether we wish to acquire the rights to and arising from such invention. The cost of transferring the utilisation rights shall be deemed covered by the agreed remuneration. The Contractor shall keep the invention and all related details secret in accordance with section 14 of these Purchase Conditions. The purpose of this is, in particular, to facilitate the intellectual property rights application procedure. If an intellectual property right of this type is to be assumed, the parties shall take all measures and make all declarations which are necessary for this and can reasonably be expected of them.
- b) If we state in writing that we are not interested in acquiring the rights in the invention, the Contractor may make restricted or unrestricted use of such rights and file an application for registration of the property right at its own cost. We shall receive a right to use such inventions; this right shall be unrestricted in time, territory and content. It shall include the right to produce items using the invention, use the procedure invented and/or to offer the items or products manufactured using the procedure, place them on the market or use or either import or possess them for the specified purposes and the right to sub-license these rights in whole or in part.
- c) Section 4 a) shall also apply accordingly to the portion of joint inventions of the parties to the contract and its employees ("co-inventorship") which has been invented by the Contractor's employees. To the extent that our employees make inventions under this contract during the term of this contract, only we shall be entitled to the rights in and arising from these inventions.
- d) The Contractor shall prepare and conduct the application process for New Property Rights in our favour. This shall not apply to any applications for property rights in which we are not interested once we have notified the Contractor accordingly.

- e) In as far as we decide to acquire the invention or file an application for the property right we shall enter into the rights and obligations of the inventor's employer in lieu of the Contractor in accordance with the statutory provisions on employee inventions, to the extent that the employee concerned consents; if the employee does not consent, we shall indemnify the Contractor for any rights and obligations in this respect.

5. Prices and terms of payment

- a) All prices stated in the order are fixed prices unless otherwise stated. All prices are gross, postage paid to the delivery address and include all packaging and all other costs of delivery such as taxes, customs duties, etc. (DDP) unless the transport company is chosen by us or we carry out the transport ourselves, or unless otherwise agreed in writing. Where the Contractor is required to carry out assembly the tools and aids required herefor shall be deemed included in the scope of the service. Work and services which are not included in the original order or in appendices thereto are additional services for which we can only pay remuneration if we have expressly consented thereto in writing before the work or services are executed. The fact that we accept or take receipt of work or a service does not replace our written consent.
- b) One copy of the invoice shall be issued quoting our order number and sent to our accounting department separately.
- c) Any agreed advance payments, instalments and down-payments shall be requested in each case in writing from the Contractor and shall be marked as such. Deposits shall only be made in return for a directly liable, irrevocable and unlimited bank guarantee from a German bank or savings bank (*Sparkasse*) in the amount of the respective payment due; the bank guarantee shall be acceptable to us and waive the guarantor's defences of unexhausted remedies, contestability and set-off, with the exception of the right to offset against recognised claims or claims which have been declared final and absolute by a court. The guarantor shall not have the right to deposit.
- d) Unless otherwise agreed, payment shall be made within 14 days with 3 % discount or within 30 days net – in each case after the date of invoice – but not before receipt of the defect-free Delivery or, in the case of supplies and services which are subject to acceptance, not before written acceptance by us and, to the extent that handover of documentation and test certificates is part of the Contractor's scope of service, not before handover in accordance with the agreement. This shall have no effect on § 632a German Civil Code (*Bürgerliches Gesetzbuch*).
- e) The Contractor may not assign its claims against us or otherwise dispose of them without our prior written consent, which we shall not unreasonably refuse.

6. Delivery time and conditions of despatch

- a) The dates and deadlines stated in the order or otherwise agreed shall be binding.
- b) Part, advance or short deliveries and deliveries made outside our business hours (Monday to Friday 6.30 a.m. to 1.00 p.m.) require our prior written consent. This does not justify a premature payment claim. Part, advance or surplus deliveries to which we have not consented may be returned or stored at the cost of the Contractor. In the event that the goods are returned,

the Contractor shall deliver the goods again on the agreed date. Acceptance of a delayed delivery or service does not represent a waiver of any claims for default damage.

- c) We may stipulate to the Contractor the route, means of transport and place of delivery. The goods to be supplied shall be packed in an environmentally friendly manner or in another manner at our request. The packaging should protect against damage, soiling and damp during transportation. Damage due to inadequate packaging shall be borne by the Contractor even if we made no separate specifications. On delivery the different types shall be packaged separately and shall be clearly marked with the correct part numbers, contract or commission number and order number.
- d) We shall only pay the costs of packaging if remuneration herefor has been expressly agreed. Without prejudice to the Contractor's statutory and official obligations the Contractor shall collect the transport packaging of the Delivery at our request and at its cost from the delivery location or have it collected by a third party instructed by it. In the event that we return the packaging carriage paid, the Contractor shall reimburse packaging costs in full. The Contractor shall indemnify us from any third-party claims which are asserted against us owing to or in connection with possession or use of the transport packaging.
- e) On the date of delivery the Contractor shall provide us with detailed delivery documents in duplicate stating the order date, the order, supply and article numbers, weight and, where appropriate, position, model number and goods description. The delivery note and packing slip shall be attached to the respective consignment.
- f) The Contractor shall be liable for any additional costs caused through negligence and losses incurred owing to failure to observe these despatch conditions. It shall also be liable for compliance with the despatch conditions by its own suppliers.

7. Delay

- a) The Contractor shall inform us without undue delay of any impending failure to meet delivery dates as soon as it gains knowledge thereof, stating the reasons and the expected length of the delay. Notifying us of the delay does not release the Contractor from the consequences of delay. If it becomes apparent that agreed delivery dates cannot be met the Contractor shall take suitable measures in good time (e.g. shift work, overtime, weekend work and work on public holidays, staff increases, etc.) to ensure that the delivery dates are met. The costs hereof shall be borne by the Contractor.
- b) The Contractor shall be liable for default as provided for by the statutory provisions. Should the Contractor be in default with a part-delivery, we may also assert our rights with respect to those parts of the Delivery for which the Contractor is not yet in default.
- c) Without prejudice to any further-reaching statutory or contractual claims, in the event that the Contractor falls into default, we may demand as minimum damage – in addition to performance – a contractual penalty of 0.2% of the total contract value per day of default, up to a maximum of 5% of the total contract volume. We agree that we will inform the Contractor of our right to demand a contractual penalty within 10 working days following the date of receipt of the delayed Delivery, in the case of part deliveries from the date of receipt of

the last part delivery and in the case of deliveries for work no later than the final payment. If portions of the contractual penalty are allocated to specific part-performances the deadline shall be 10 working days from receipt of the respective part-performance.

- d) The Contractor may only argue that the delay was attributable to our failure to meet our obligation to provide documents, services or parts if it has sent out an express formal written reminder in this respect and has still not received them without undue delay. In this event the Contractor may demand a reasonable extension to the delivery time, however no more than the duration of the delay, excluding other claims. The Contractor may not argue that its own failure to deliver was attributable to the failure of its own suppliers.
- e) Occurrences of *force majeure* or hindrances for which we are not responsible which make acceptance of the supply or service at our business or at our customer impossible or substantially more difficult, suspend our acceptance obligations for the duration thereof.

8. Place of delivery and performance, acceptance and passage of risk

- a) Place of performance for all mutual obligations under the contract shall be Uetersen.
- b) We shall inspect deliveries of goods without undue delay but at the earliest within 10 working days. We shall report any defects to the Contractor within a reasonable period, though no less than 3 working days after their discovery. In the case of Deliveries which are intended for resale the deadline for inspecting the goods shall not commence until the goods have been received by our Contractor. If the Delivery is to be further processed for installation in other equipment or combined with other components to form another product, the functional integrity of the goods shall be inspected in conjunction with the equipment or the other components after installation and after the equipment has been successfully put into operation or after manufacture of the product.
- c) Where work or services are to be accepted, formal acceptance shall always take place a reasonable period after completion of the service unless we have expressly agreed otherwise with the Contractor. Each party may involve an expert in the formal acceptance procedure at its own cost. A written acceptance record of the acceptance shall be kept. If the Contractor does not attend joint acceptance despite timely invitation, the effects of acceptance begin to apply when we inform the Contractor in writing of the result of successful acceptance.
- d) The work and services rendered by the Contractor shall only be deemed to be in compliance with the contract when we have expressly confirmed this in writing. Entire or partial use of the Delivery, especially parts of a building or construction, which are required to continue the work or to prepare the commissioning of the entire system or interim testing do not constitute acceptance of the Delivery, nor do any payments made.
- e) Even if we state that we are prepared to pay freight costs, risk shall not pass to us until we or a third party instructed in writing to act on our behalf have taken receipt of the Delivery at the agreed place of performance or until after acceptance of the Delivery whichever is later. This shall not apply if we select the forwarding company or if we carry out the transport ourselves.

- f) We do not have to accept deliveries which are obviously defective and/or obviously defectively packed or which obviously differ in quantity from the order.

9. Warranty

- a) The Contractor shall be responsible for ensuring that at the time the contract is concluded, the Delivery has no defects which impair its value or its suitability, that it is suitable for the use designated in the contract and that it has the features quoted in our offer letter; the Contractor shall also be responsible for ensuring that the Delivery meets the current general acknowledged technical, health and safety provisions of § 13 Technical Working Materials Act (*Gesetz über technische Arbeitsmittel*) and health and safety at work, accident prevention, emission protection and environmental requirements. The Contractor shall also guarantee that the Delivery complies with all statutory, official and other regulations applicable in Germany and other countries – depending on the area of deployment as specified by us – such as accident prevention regulations, DIN standards and specifications contained in the current versions of regulations of associations such as Association for Electrical, Electronic & Information Technologies (VDE), Association of German Engineers (VDI). Any licensing requirements, in particular permits and certificates, have been obtained.
- b) The Contractor guarantees that the staff, which it deploys have unrestricted social insurance coverage and are insured by an employer's liability insurance association (*Berufsgenossenschaft*) and have the necessary residence and work permits. On request the Contractor shall provide us with evidence that it has concluded a suitable liability insurance policy with adequate cover amounts before carrying out the work:
- c) We shall have full entitlement to statutory warranty and compensation claims. The Contractor shall bear all costs incurred by remedying the defects, such as assembly and disassembly costs, transport costs, etc.
- d) The statutory warranty periods shall apply. If we report defects the warranty period shall be extended by the period between the date on which the defect is reported and the date on which it is remedied. If the Delivery is replaced in full the warranty period starts anew; if the Delivery is renewed in part the warranty period only starts anew for the parts replaced.
- e) In addition to the statutory and contractual warranty claims, we are entitled to take whatever measures are necessary to remedy the defect at the cost and risk of the Contractor if the Contractor fails to meet its subsequent performance duty within a reasonable period set by us. The same applies in urgent cases provided we have reported the defect to the Contractor and if – owing to the urgency – the loss is likely to be high relative to the Contractor's warranty obligation.
- f) The Contractor shall have sole responsibility for drawings, plans, calculations, etc. used for the contract even if these have been approved by us.
- g) The Contractor shall indemnify us at first request from third-party claims arising from manufacturer's liability and the Product Liability Act (*Produkthaftungsgesetz*) in as far as the Contractor or one of its suppliers have caused the product defect which triggered liability.

- h) The parties agree that product defects which are attributable to supplies or services rendered by the Contractor's suppliers or sub-contractors shall be regarded as defects in the product supplied by the Contractor.
- i) During the term of the contract the Contractor shall maintain a product liability insurance policy with minimum cover of EUR 1 million per loss occurrence without further limitation; we are entitled to demand that the underwriter provide us with confirmation of this coverage.

10. Pharmaceutical products or components for pharmaceutical products

- a) In as far as the Deliveries we order are required to manufacture pharmaceutical and/or health-care products and/or food supplements, all pharmaceutical, health and other provisions under the Drugs Act for Germany and other countries – depending on the area of deployment as specified by us – shall be observed.
- b) We shall be informed in writing and without delay of any alterations to the manufacturing process, which may affect quality, and/or relocation of the manufacturing site.
- c) As far as possible each Delivery should originate from one batch. The Contractor's batch number as well as our order and article numbers shall be marked clearly and permanently on each package and delivery note. If the Delivery comprises several batches of the same product then the respective numbers as mentioned above shall be stated on the packages and also on the respective delivery note.

11. Spare parts

The Contractor agrees supply us on request at short notice with operational, functional and compatible spare parts for at least 10 years of the same or improved quality at market prices. The Contractor shall provide us with at least 12 months' notice if the production of spare parts is to be discontinued.

12. Withdrawal from the contract; indemnification; third-party rights

- a) If the Contractor ceases to make payments or if insolvency proceedings are instituted on its assets or if a petition is filed for the institution of court or out-of-court composition proceedings, we may – at our discretion – rescind the contract either in whole or in part with respect to the portion of Delivery not yet fulfilled or demand compensation in lieu of performance.
- b) The Contractor guarantees that its Delivery and use thereof do not infringe domestic or international patents, intellectual property rights or other third-party rights or breach statutory or official provisions of any kind whatsoever. It shall indemnify us from any such claims which third parties or our customers assert against us owing to or in connection with the Delivery and use thereof.
- c) The Contractor shall ensure that there are no third party rights regarding retention of title in the goods ordered.
- d) Retention rights and set-off rights of the Contractor against us are excluded unless the Contractor derives these rights from recognised claims or claims which are final and absolute.

- e) If the Contractor knows or if it must – in the circumstances – assume that we will be sending or using the Delivery abroad, it shall inform us without request whether we require a permit for export.
- f) Claims against us may only be assigned with our written consent.

13. Provision of material/Documents

- a) Any parts, samples, drawings, standards, guidelines, methods of analysis, formulae or other documents which we provide to the Contractor for the purpose of producing the Delivery shall remain our property, shall be kept safely by the Contractor and may not be used by the Contractor for other purposes, reproduced or made accessible to third parties. Any parts and documents which are handed over when the order is placed shall be returned to us on request or at the latest on delivery together with all copies. We retain the property rights in all parts and documents which we make available to the Contractor.
- b) If the parts which we supply are combined or mixed with other products we shall acquire co-ownership in the new item pro rata as a ratio of the value of the parts and materials supplied by us to the items processed at the time of processing.

14. Confidentiality, data protection

- a) The Contractor shall treat any documents or other information which it receives from us with the strictest confidentiality. The Contractor shall keep any documents received from us in a manner which prevents access by unauthorised persons.
- b) The Contractor shall notify its staff and any other persons entrusted with implementation of the contract who have access to documents associated with the contract about the confidentiality obligation in writing and oblige them to observe the confidentiality obligation.
- c) The confidentiality obligation set out in a) and b) above shall apply for an unlimited period.
- d) The confidentiality obligation set out in a) and b) above shall not apply to persons who are authorised and who are obliged under law or contract to observe confidentiality and/or in as far as the confidentiality obligation prevents them from pursuit of their own claims. Information and documents which are or which will be in the public domain shall not/no longer be subject to the confidentiality obligation provided that the Contractor is not responsible for such information or documents entering into the public domain. It is the responsibility of the Contractor to prove the existence of one of the above exceptions.
- e) The Contractor is only entitled to include our name in a reference list if we give our written consent.
- f) In as far as personal data is required in rendering services due under the contract the Contractor shall observe the applicable statutory data protection regulations, i.e. in particular it shall ensure that the collection, processing and use of personal data is lawful and shall submit its staff to appropriate confidentiality measures. The Contractor shall indemnify us against third-party claims which are attributable to the fact that collection, processing or use of personal data as provided for under the contract were unlawful. The above indemnity clause shall also cover any costs of legal defence.

15. Miscellaneous

- a) Collateral agreements, additions and amendments to the contract are only binding subject to our express written confirmation.
- b) The exclusive place of jurisdiction for all disputes arising from this contract and the business relationship with us, including action filed with regard to cheques and bills of exchange, shall be Uetersen; however we may also file action at the registered seat of the Contractor. This shall not apply to disputes with customers who are not businessmen.
- c) The law of the Federal Republic of Germany shall apply, excluding private international law and the application of the Hague Conventions relating to a uniform law and the United Nations Convention on Contracts for the International Sale of Goods of 11.04.1980.
- d) If any provision of these conditions should be or become invalid or unenforceable this shall not affect the validity of the other provisions. In such an event the parties shall agree to a provision which, as far as possible, reflects the desired purpose of the invalid provision.