

1 General

- 1.1 These General Terms and Conditions of Purchase ("GTC") govern the conclusion, content and implementation of contracts, in particular purchase contracts and contracts for work or services between **suppliers** and/or service providers ("Supplier") and **Ypsomed Produktion GmbH**, Ludwig-Bölkow-Straße 15, 19061 Schwerin, Germany ("Ypsomed") for the purchase of goods, work, products and services ("Product(s)") that Ypsomed orders from the Supplier, irrespective of whether the Supplier actually manufactures the Products or has them manufactured or supplied by subcontractors. These GTC only apply if the Supplier is an entrepreneur (pursuant to section 14 BGB, German Civil Code), a legal entity under public law, or a special fund under public law.
- 1.2 By submitting an offer to Ypsomed, or accepting an order from Ypsomed, the Supplier expressly agrees to these GTC. These GTC may be deviated by different terms contained in an order or contract between the Supplier and Ypsomed, in which case such terms shall have precedence over these GTC.
- 1.3 Any Supplier's delivery terms or other general terms and conditions (existing or future) shall not be applicable to any contract between Supplier and Ypsomed, unless Ypsomed has expressly agreed to their validity in writing. This requirement for express written consent shall always apply, even if, for example, Ypsomed accepts the Supplier's Products without reservation in knowledge of the Supplier's general terms and conditions.
- 1.4 Relevant legal declarations and notifications by Supplier relating to the contract (e.g. deadlines, reminders or cancellations) must be made in writing or in text form (e.g. by letter, email or fax). Formal legal requirements or evidence, particularly in the event of doubt about the offeror's legitimation, remain unaffected.

2 Requests for quotations/ordering

- 2.1 Ypsomed shall not be bound in any way by requests from Ypsomed to the Supplier concerning the Supplier's Products or delivery conditions, or any invitations by Ypsomed to merely submit an offer.
- 2.2 Orders shall be binding only if placed by Ypsomed in text form (including by fax or email), or verbally or by phone; in the latter two cases, quoting an Ypsomed order number.

3 Scope of delivery /order changes

- 3.1 Partial deliveries, partial performances as well as deliveries and performances ahead of schedule are only permitted if agreed priorly in writing.
- 3.2 The delivery and performance shall be conducted free to the place specified in the order. If the destination is not specified and unless otherwise agreed, the delivery shall be sent to Ypsomed's address. The place of delivery shall also be deemed as the applicable place of performance and place of remedy for non-conforming performance. The Supplier shall bear the procurement risk for its performances, unless otherwise agreed in a specific case (e.g. limitation to stock).
- 3.3 Each delivery shall be accompanied by a delivery note and the documents referred to in section 10.4. Delivery notes, invoices and correspondence shall quote the particulars specified by Ypsomed, including purchase order number, references and Ypsomed article number and drawing number. Delivery from abroad shall be accompanied by the corresponding customs documents and a copy of the invoice.

- 3.4 Ypsomed may request changes to deliveries as long as their overall character remains unaffected and the changes are reasonably bearable for the Supplier. Ypsomed may request changes to services at any time. The following provisions shall apply in case of a change.

- 3.5 A change to the order will be agreed in writing before its implementation. If a change leads to additional or reduced costs or to adjustments of deadlines, such change shall be agreed on immediately and set out in writing.

- 3.6 Additional or reduced costs due to a change shall, to the extent possible, be calculated on the basis of the original costs. If no agreement can be reached, section 650c (1) and (2) BGB shall apply analogously.

- 3.7 Changes which prove to be necessary in order to satisfy contractually or implicitly agreed features shall in either case be carried out at the Supplier's expense, except in case Ypsomed has provided inaccurate or inadequate information regarding such features, unless the Supplier was or should have been aware of this.

4 Involvement of third parties

- 4.1 The Supplier may only engage third parties (e.g. subcontractors or substitutes) for provision of its performances upon Ypsomed's prior written consent. The Supplier shall be liable for the deliveries and performances of a third party it has engaged in the same way as for its own deliveries and performances.
- 4.2 The Supplier shall transfer to third parties it has engaged the obligations that apply to the Supplier according to these GTC (especially sections 5, 6, 8, 15 and 21).

5 Social responsibility/Suppliers' Code of Conduct

The Supplier shall comply with all laws and regulations, in particular those relating to the protection of human rights, health, safety, the environment and employees, as well as those combating corruption and bribery. The Supplier shall comply with the Supplier Code of Conduct of the Ypsomed group (available at www.ypsomed.com/supplier-coc-produktion-gmbh).

6 Quality assurance/inspection

- 6.1 The Supplier is obliged to perform and maintain an effective quality assurance system and shall provide Ypsomed written evidence thereof upon request. Unless otherwise agreed, the Supplier shall employ a quality management system in accordance with ISO 9001 or equivalent.
- 6.2 Ypsomed has the right to carry out inspections and audits at the Supplier's premises at an appropriate time and after prior notification, in order to ensure Supplier's compliance with applicable laws and regulations, as well as its contractual obligations.

7 Materials

- 7.1 Documentation, drawings, calculations, photographs, data carriers, computers, films, plans, tools, moulds, materials, software, models, and Work Results, etc. ("Materials") that Ypsomed makes available to the Supplier, or which are produced for Ypsomed by the Supplier or third parties, shall remain or become upon their creation the property of Ypsomed. All Materials shall be returned or handed over to Ypsomed upon request, however, not later than 10 days after the contract or the contractual collaboration with the Supplier has been terminated.
- 7.2 Materials, whether provided by Ypsomed, or manufactured for Ypsomed by the Supplier, may only be used for performance of the contract. The Supplier is not permitted to copy or otherwise

reproduce Materials, hand them over or make them accessible to third parties for any purpose, without the prior consent of Ypsomed. The above provision shall also apply to finished and semi-finished Products. Until being processed, Materials shall be kept separately at the Supplier's expense, marked as the property of Ypsomed and adequately insured against destruction and loss.

7.3 The processing, mixing or combination (further processing) of items made available by the Supplier shall be performed for the benefit Ypsomed. The same applies in the event of further processing by Ypsomed of Products supplied, such that Ypsomed is considered to be the manufacturer and acquires ownership of such Product in accordance with legal provisions no later than upon the time of its further processing.

7.4 Assignment of title to the Product to Ypsomed must occur unconditionally and without regard to payment of the purchase price. Should, however, in a specific case, Ypsomed accept a Supplier's offer of assignment that is conditional upon payment of the purchase price, the Supplier's right of retention shall lapse no later than upon payment of the purchase price for the Product supplied. Ypsomed shall remain entitled to resell the Products in the course of ordinary business, even before payment of the purchase price, subject to primary assignment of the resulting claim. All other forms of retention of title, in particular extended and assigned retention of title, as well as retention of title extended to further processing are in any case excluded.

8 Confidentiality

8.1 Each Party shall undertake to maintain strict confidentiality regarding the know-how disclosed to it by the other Party and other confidential information it has become aware of, unless this information is generally known or is otherwise rightfully obtained by the Supplier under no confidentiality obligation. The obligation of confidentiality persists, even after termination of the contractual relationship. In addition, the Supplier shall in no way disclose to third parties, without written consent, its business relationship with Ypsomed.

8.2 After termination of the contractual relationship, neither party is entitled to use the other party's know-how disclosed to it under the contract, without the other party's prior written consent. The same shall apply to any use during the contractual relationship that is not connected to performance of the contract.

9 Obligation to notify

The Supplier shall notify Ypsomed immediately in writing about any matter the Supplier has identified, or is identifiable with due diligence, which endangers the proper and timely performance of the work or services, as well as any concerns the Supplier has about the specifications received from Ypsomed. Should the Supplier fail to comply with any such notification duty, it shall be held solely responsible for any adverse consequences.

10 Prices/invoicing

10.1 The price indicated in an order is binding. All prices are understood to be including value added tax, unless otherwise specified. Price changes are only valid upon Ypsomed's prior written approval. Unless otherwise agreed, the price shall cover all of Supplier's performances including ancillary performances (e.g. assembly and installation), as well as any ancillary costs (e.g. packaging according to the specifications and transport costs, including any transport and liability insurance).

10.2 Unless otherwise agreed (e.g. in a payment plan), payment of invoices shall be due net at the end of the month following receipt and verification of the delivery or performance, but no earlier than within 30 days of invoicing.

10.3 An invoice shall be issued for each order and for each full or partial delivery or performance.

10.4 Invoices must comply with the formal requirements of value added tax legislation. The origin of goods and the customs tariff number must be indicated in the invoice in case of deliveries of Products. The invoice must be accompanied by a movement certificate for deliveries from abroad or a supplier's declaration for domestic deliveries.

10.5 Ypsomed shall owe no default interest. Otherwise, in case of late payment the legal provisions shall be applicable. Ypsomed shall be entitled to offset and retention rights, as well as the defence of non-performance of the contract to the extent permitted by law. In particular, Ypsomed is authorised to withhold payments due, as long as Ypsomed is entitled to claims against the Supplier arising from incomplete or defective deliveries or performances. The Supplier shall only have a right to offset or a right of retention on the basis of legally enforceable or undisputed counter-claims.

11 Delivery

11.1 The agreed delivery or performance dates are binding. If it becomes apparent to Supplier that it is not possible to make a delivery or provide a service on time, the Supplier shall immediately notify Ypsomed thereof in text form stating the reasons and the likely duration of the delay. Should the Supplier fail to perform, or fail to do so within the agreed time period, or should the Supplier be in default, Ypsomed's rights – in particular to cancellation and compensation – shall be determined by legal provisions. The provisions in section 11.2 remain unaffected.

11.2 Should the Supplier be in default, in addition to further legal remedies, Ypsomed may demand lump-sum default compensation for the delay in the amount of 1% of the net price per full calendar week, however no more than 5% of the net price of the Products delivered late. Ypsomed reserves the right to furnish evidence that a greater loss was incurred. The lump-sum default compensation shall be accounted to further claims for damages. The Supplier has right to furnish evidence that no damage at all, or substantially less damage was incurred.

11.3 In the event of non-compliance with a delivery or performance date, Ypsomed may terminate the contract, declare extraordinary termination, or claim damages in accordance with the legal provisions. The right to claim further damages is in any case reserved.

12 Benefit and risk/late acceptance

The risk of accidental loss and accidental deterioration of the Product shall be transferred to Ypsomed upon handover at the place of performance. If an acceptance for Products has been agreed, such acceptance shall be decisive for the transfer of risk. The legal provisions shall rule the further aspects of such acceptance and shall apply in the event of late acceptance. The Supplier must, however, also offer Ypsomed its performance expressly if a defined or definable date is agreed for an action or cooperation (e.g. provision of materials). Should Ypsomed be in default on acceptance, the Supplier may demand reimbursement of its additional expenses according to the legal provisions (section 304 BGB). If the contract concerns a non-fungible Product to be manufactured by the Supplier (individual production),

the Supplier shall only be entitled to further rights, if Ypsomed commits itself to cooperation and is responsible for failure to cooperate.

13 Defective delivery and performance

- 13.1 Unless otherwise agreed hereinafter, the legal provisions shall apply in relation to Ypsomed's rights regarding material and legal defects in the Products (including incorrect and short delivery, improper assembly, defective assembly, operating or usage instructions) and for other breaches of duty by the Supplier.
- 13.2 In accordance with legal provisions, the Supplier shall in particular be liable for ensuring that the Products are of the agreed quality upon transfer of risk to Ypsomed and comply with the agreed specifications, the pertinent legal requirements (e.g. product approval conditions) and are consistent with the recognised technology standards. In any event, the respective Product descriptions that form the subject of the respective contract, in particular by designation or reference in the order, or that have been included in the contract in the same way as these GTC, shall be deemed to be requirements the Products must conform with. It shall be irrelevant whether the Product description originates from Ypsomed, from the Supplier, or from the manufacturer. Specifications in the Supplier's or manufacturer's pre-contractual correspondence or advertising messages shall also be deemed to be agreed requirements, if the contract or order do not contain any contrary arrangements in this regard. By deviation from section 442 (1) clause 2 BGB, Ypsomed shall also be entitled to unrestricted claims for defects, if Ypsomed was not aware of the defect at the conclusion of the contract as a consequence of gross negligence.
- 13.3 The legal provisions regarding the commercial duty of inspection and defect notification (sections 377, 381 HGB, German Commercial Code) shall apply, with the following proviso: Ypsomed's duty of inspection is limited to apparent deviations in the type and quantity and to apparent transport damage, whereby Ypsomed must merely perform a random-sample check. There is no duty of inspection in case a specific acceptance has been agreed. Ypsomed's defect notification duty remains unaffected in the event of defects discovered subsequently.
- 13.4 Unless a longer period has been agreed or is provided for by law, the warranty period shall be 24 months. It shall begin upon Ypsomed's unconditional acceptance of the Products or, if no specific acceptance procedure has been agreed, upon Ypsomed's use of the Products for their intended purpose.
- 13.5 Within the warranty period, every notice of defect by Ypsomed shall be legally valid.
- 13.6 If it becomes apparent during the warranty period that the Products or parts of these are defective, or do not comply with the warranties according to section 13.2, the Supplier is obliged to remedy the defects or have them remedied on site at its expense or, upon Ypsomed's sole discretion, supply a defect-free replacement. Remedy to a defect also includes removal of the defective Products and the re-installation if – in accordance with their type and intended use – the Products were installed in different items, or were affixed to different items. Ypsomed's legal entitlement to compensation for related expenses remains unaffected. The expenses incurred in course of inspection and remedy of a defect shall be borne by the Supplier, even if it should become evident that no defect actually existed. Ypsomed's liability for compensation in the event of unjustified requests to remedy defects remains unaffected; in this respect,

however, Ypsomed shall only be liable if Ypsomed recognised or grossly negligently failed to recognise that no defect existed.

- 13.7 In case the Supplier fails to comply with its obligation to provide subsequent performance – either by rectifying the defect (rectification) or by supplying a defect-free Product (replacement) at Ypsomed's discretion – within a reasonable period set by Ypsomed, Ypsomed may remedy the defect itself and demand reimbursement for the necessary expenses incurred or a respective advance payment from the Supplier. No period of grace needs to be set, if subsequent performance by the Supplier was unsuccessful or is unreasonable for Ypsomed (e.g. due to special urgency, endangerment to occupational safety, or imminent occurrence of disproportionate damage). Ypsomed shall inform the Supplier of such circumstances without delay or, if possible, in advance.
- 13.8 In the event of a material or legal defect, Ypsomed shall further be entitled to a reduction of the purchase price, or to terminate the contract, in accordance with the legal provisions. Moreover, Ypsomed shall be entitled to claim for reimbursement of damages and expenses in accordance with the legal provisions.
- 13.9 Once a defect has been remedied in accordance with section 13.6, a new warranty period of 24 months shall commence in relation to the remedied defect, unless a longer period has been agreed or is provided for by law.
- 13.10 The Supplier shall be liable for all product liability damage which occur due to the defectiveness of the Product supplied to Ypsomed or a third party by the Supplier in accordance with the applicable legal provision, and shall hold Ypsomed harmless against any related claims and damages. Within the scope of its indemnity obligation, the Supplier shall also reimburse expenses in accordance with sections 683, 670 BGB, which are incurred in connection with a third party claim, including costs arising out of recall campaigns conducted by Ypsomed. To the extent possible and reasonable, Ypsomed shall inform the Supplier of the content and scope of recall campaigns and provide the Supplier with the opportunity to provide a written statement. Further legal claims remain unaffected.
- 13.11 Ypsomed shall be entitled to recourse claims provided by law within a delivery chain (supplier regress pursuant to sections 445a, 445b, 478 BGB) without restriction, in addition to the defect claims. In particular, Ypsomed shall be authorised to request from the Supplier the precise type of subsequent performance (rectification or replacement) that Ypsomed owes to its purchaser in the specific case. The legal right to choose (pursuant to section 439 (1) BGB) is not restricted thereby. Prior to recognition or satisfaction by Ypsomed of a defect claim asserted by a purchaser (including reimbursement of expenses pursuant to sections 445a (1), 439 (2) and (3) BGB), Ypsomed shall inform the Supplier and request a written statement giving a brief account of the facts. Should a substantiated statement fail to be forthcoming within an appropriate period, and if no amicable solution is found, the defect claim actually conceded by Ypsomed shall be deemed to be owed to the purchaser. The Supplier may provide counter-evidence in such case. Ypsomed's claims arising from supplier regress shall also apply if the defective Products were further processed by Ypsomed itself or by another entrepreneur (e.g. by means of integration into another product).

14 Warranty of title

- 14.1 The Supplier warrants and shall be held responsible for ensuring that the Products and Work Results provided do not infringe any intellectual property rights of third parties.
- 14.2 If the supplied Work Results, Products or their components infringe the intellectual property rights of third parties, the Supplier warrants that it has entered or will enter into a licence agreement with the holders of such rights which permits Ypsomed to freely use these Work Results, Products or components in its equipment and systems.

15 Data protection/data security

- 15.1 The Supplier acknowledges and agrees that Ypsomed may process and use the Supplier's personal data in accordance with Ypsomed's data privacy policy (available at www.ypsomed.com/data-privacy-produktion-gmbh).
- 15.2 The Parties shall comply with the provisions of the applicable data protection laws, protect personal data from unauthorised access and process it solely for the purpose of and to the extent required for fulfilling the contract.

16 Spare parts/maintenance

Unless otherwise agreed, the Supplier shall be responsible for the maintenance of the Products and/or equipment used for the manufacture of the Products and delivery of spare parts at a reasonable price for five years after the last delivery of the Products. The Supplier shall bear the costs of delivery of spare parts and maintenance until hand-over of the Products at the appointed destination (at the premises of Ypsomed or another place specified by Ypsomed). Thereafter the costs shall be borne by Ypsomed. Any warranty claims by Ypsomed remain reserved.

17 Jurisdiction/applicable law

- 17.1 **All disputes arising out or in connection with orders or deliveries or with these GTC shall be submitted to the competent courts at Ypsomed's registered address. Ypsomed reserves the right to enforce its rights at the Supplier's jurisdiction, at the place of performance, or before any other court competent for precautionary, interim or protective measures.**
- 17.2 These GTC and all aspects that are given by the legal relations between the Parties are governed by, interpreted and construed in accordance German law, to the exclusion of international uniform law, in particular the UN Convention on Contracts for the International Sale of Goods.

Additional provisions when procuring the provision of services and work

The following provisions shall apply in addition to the other provisions of these GTC, if and insofar as the performances by the Supplier concern the provision of services and/or work.

18 Remuneration

- 18.1 The Supplier shall perform the services for a fixed price or on a time and material basis, with a binding upper limit for the remuneration (cost ceiling).
- 18.2 The remuneration covers all services required for proper performance of the contract, including, but not limited to the transfer of Work Results and rights in accordance with section 21.1 in particular, as well as all expenses and public charges.

19 Service provision

- 19.1 The Supplier warrants and shall be held responsible for ensuring that it performs its services carefully, accurately and diligently, and that its services comply with the agreed specifications and the requirements of Ypsomed, as well as the relevant legal provisions, and that it has obtained and maintains all the necessary approvals, authorisations and notifications required within the context of performance of the contract.
- 19.2 The Supplier warrants and shall be held responsible for meeting all its employees' rights arising from the employment relationship, that it complies with the relevant regulations under labour law (including, but not limited to health and safety regulations), that it ensures the necessary insurance coverage and deducts social security contributions correctly.
- 19.3 The Supplier shall regularly inform Ypsomed about the progress of provision of the services.

20 Termination

Ypsomed may terminate an order at any time. In such case, only the services provided until termination are to be remunerated. If the reason for termination lies with the Supplier, Ypsomed shall not owe any further remuneration and may claim back already paid remunerations for services that have become useless. The right to claim further damages is in any case reserved.

21 Rights to work results

- 21.1 All work results, interim results, documents, ideas (collectively referred to as "Work Results"), as well as all resulting copyrights, patent rights, trademark rights, design and model rights and know-how (collectively referred to as "Intellectual Property Rights") developed by the Supplier and/or any third parties involved in the performance of the contract are the property of Ypsomed and shall hereby, or upon their creation, be assigned to Ypsomed, or to a company designated by Ypsomed respectively. If such assignment of Intellectual Property Rights is non-permitted legally, the Supplier hereby grants Ypsomed an irrevocable, fully-paid-up, royalty-free, transferable and exclusive licence to these Intellectual Property Rights. The Supplier must ensure that it is entitled to all rights to employee inventions and that these are transferred to Ypsomed. The Supplier waives the right to exercise non-transferable personal rights. Upon request, the Supplier shall assist Ypsomed in the establishment, maintenance and enforcement of Intellectual Property Rights.
- 21.2 Ypsomed is entitled to use all Work Results and Intellectual Property Rights freely and without restriction and may disclose them to third parties. Ypsomed is not obliged to commercialise or follow up on Work Results in any way, or to continue projects.
- 21.3 The Supplier shall disclose any existing Intellectual Property Rights and Intellectual Property Rights arising independently of performance of the contract (collectively referred to as "Background Property Rights") to which the Supplier is entitled and which may be pertinent to use of the Work Results. The Supplier shall grant Ypsomed an irrevocable, fully-paid-up, royalty-free, transferable and non-exclusive licence to the Background Property Rights, i.e. the non-exclusive and unrestricted right to permanently use the Background Property Rights for Ypsomed's Products and their further development.