

#### A. Submission of Orders

- 1. Ordering shall only take place under the following Conditions of Purchase, even where permanent business relations exist and an explicit reference is not later made. Deviations from these Conditions of Purchase, in particular differing or supplementary terms and conditions of business of the Contractor, are herewith rejected. Silence on the part of the Client with regard to order confirmations which refer to differing or supplementary terms and conditions of business is not to be regarded as approval. Conditions of this kind will not be considered valid against the Client, even if the Agreement is executed. On the contrary, in executing the Agreement, the Contractor accepts these Conditions of Purchase. Every change to these Conditions of Purchase contained in an order confirmation shall be regarded as a rejection of the order by the Client. If delivery takes place nonetheless, this shall be regarded as the Contractor's acceptance of these Conditions of Purchase.
- 2. The Client's orders must be confirmed by the Contractor in writing or by email without delay, at the latest within 2 working days.

### B. Prices, scope of deliveries and/or services

- Unless otherwise agreed, the agreed prices are fixed prices and cover free delivery to the Client's premises or the receiving office specified in the respective order, including packaging and all ancillary costs.
- All services required for the proper delivery and/or provision of services also form part of the scope of deliveries and services of the Contractor, if this is not otherwise specified in the respective order.
- 3. Partial deliveries/services are only permissible with the Client's prior written approval.

### C. Deadlines for deliveries/performance and delays

- 1. The dates given in the order are deadlines for the receipt of delivery/performance of services and adherence to them is mandatory.
- 2. If the Contractor is delayed, the Client is entitled to request payment of a contractual penalty of 0.2% of the value of the order with which the Contractor is delayed per working day, but no more than 5% of the value of the order. The Client can assert the reservation of the contractual penalty until the final payment on the underlying contractual relationship and at least within 14 days of acceptance of fulfillment. The Client remains entitled to assert claims beyond this. The contractual penalty shall be credited against claims for compensation.
- 3. If doubt in the ability or willingness of the Contractor to perform exists before the due date, in particular because the Contractor has announced before the due date that it cannot or will not perform its services on time, the Client can set a deadline for explanation and evidence of the Contractor's ability or willingness with the threat that, if this deadline expires without effect, the Client will not accept the Contractor's performance.

# D. Place of performance, delivery, and transfer of risk

1. The place of performance is the place to which the product is to be delivered as per the order. If this has not been agreed, the place of performance is the Client's headquarters in Tübingen. The place of performance for supplementary performance is the place to which the Client's product, which comprises the

Contractor's performance, is (subsequently) delivered.

- 2. A delivery note with all details of the order must accompany the delivery. Upon shipping to locations other than the Client's place of business (Tübingen), a dispatch note signed by the haulage contractor must be submitted to the Client for the purposes of invoice verification.
- 3. With purchase contracts, the risk is transferred upon the transfer of goods to the Client; for service contracts risk is transferred only after acceptance.

#### E. Invoicing / terms of payment

- The invoice must be sent with all order information to the Client following shipping/completion of services. Partial invoices are only possible if partial deliveries have been agreed.
- 2. Payment is made after 14 days with a 3 % discount or after 30 days strictly net, unless otherwise agreed. The payment period starts when the Client receives the invoice, but no earlier than upon acceptance of the delivery or service, unless otherwise agreed.
- 3. In the event of complaints, the Client is authorized to make a suitable deduction until final settlement, and even after this time, to withdraw a discount for the retained amount in accordance with No. 2.

#### F. Warranty rights

- 1. The Contractor guarantees the fault-free provision of services and guarantees in particular that the products correspond to the requirements of the agreed requirements specification, the agreed specification, the other agreements concerning the products' properties, and the latest state of the art.
- 2. The Client can, for both purchase and services contracts, choose to request either rectification of a fault or delivery of a replacement item free of defects. In this event, the Contractor is obliged to bear all costs in relation to the remedy of the defect or delivery of a replacement, regardless of additional claims on the part of the Client. In urgent cases and after appropriately informing the Contractor, the Client is entitled to remedy the defects itself or have them remedied by third parties or to procure a replacement in another way at the Contractor's expense.
- 3. The warranty period is 36 months from the time of transfer of risk, provided no longer periods are applicable for legal reasons or due to individual agreements. If the Contractor who is obliged to do so performs repairs or delivers a replacement, the warranty obligation for the parts affected by the repair/redelivery shall be renewed, insofar as the same flaw or the results of a repair/new delivery are concerned.
- 4. The Contractor conducts an outgoing goods inspection. If the Order is for a purchase contract or a contract for work and materials, the Client is obliged to check the Contractual Item for deviations in terms of identity and quantity as well as for clearly discernible transport damage and obvious defects and to notify the Contractor of this within 14 calendar days of receiving the Contractual Item. For hidden defects, notification of the defect is considered to be in good time if given within 5 working days of discovery of the fault. The Client has no further obligation to give notification of defects.
- 5. If claims are made against the Client by third parties due to a material defect or a legal infringement for which the Contractor is responsible, the Contractor shall reimburse all expenses incurred by the Client as a result of these claims and shall



release the Client from all of these claims.

6. For the rest, the Client's rights are determined by the statutory provisions.

## G. Product liability

If the Contractor is responsible for damage caused by a product belonging to the Client, it is obliged to release the Client from claims for damages by third parties to the extent that the Contractor is itself liable towards the third parties. This applies in particular to claims from product and manufacturer's liability and claims due to corrective action such as recalls and preventative customer service measures and other damage repair or precautionary measures. The Contractor undertakes to take out insurance with an appropriate insured sum of at least EUR 5 million per claim and at least EUR 10 million per calendar year for the duration of the agreements and the subsequent warranty period.

#### H. Infringements of protective rights

- 1. The Contractor guarantees that the Contractual Item is free from defects of titles, particularly in relation to the rights of third parties, such as trademark rights including copyrights.
- 2. The Contractor must release the Client from any possible claims by third parties on the basis of existing protective rights of third parties and to reimburse all costs arising in connection with the defense against such claims, including the costs of legal representation, unless the conflicting protective rights were not known to the Contractor and the Contractor would not have known of them even when exercising the diligence of a prudent businessman.

## I. Assignment of receivables, compensation, subcontractors

- 1. The Contractor's receivables from the Client may be transferred to third parties only with the Client's consent.
- 2. The Contractor shall only have a right of offset or retention due to legally established or undisputed counterclaims.
- 3. The Contractor must principally meet its obligations arising from agreements with the Client through its own company and its own employees. The engagement of subcontractors is only permissible with the Client's prior written consent, unless this engagement does not relate to services that are essential to the Agreement.

### J. Provision of materials

- 1. Materials and parts provided remain the property of the Client, the Contractor must label these as the property of the Client and store them separately. The Contractor is liable for damage or loss, unless it is not responsible for these.
- 2. If the Goods Provided are joined or inseparably combined with other goods not belonging to the Client, the Client shall acquire co-ownership of the new object in the ratio of the value of the Goods Provided to the value of the other joined or combined items at the time of their joining or combination. If the joining or combination is done in such as way that one object belonging to the Contractor is to be considered the main part, it is agreed that the Contractor shall grant the Client co-ownership of the new object in the ratio of the value of the Goods Provided to the value of the other joined or combined objects at the time of their joining or combination. The Client accepts the transfer of ownership.

- 3. The processing or restructuring of the Goods Provided by the Contractor is always carried out for the Client. If the Goods Provided are processed with other objects not belonging to the Contractor, the Client shall acquire co-ownership of the new object in the ratio of the value of the Goods Provided to the value of the other objects processed at the time of their processing.
- 4. The Contractor shall store the object to which the Client is entitled to either complete or co-ownership free of charge for the Client and insure it appropriately against property damage, loss, etc. at its own expense.
- 5. The Contractor is obliged to issue the Goods Provided or other objects fully or jointly owned by the Client to the Client, unless otherwise agreed in writing.

#### K. Property rights / usage rights

- 1. Objects, models, molds, tools, samples, drawings, plans, and documents of all kinds (hereinafter referred to as "Production Items") remain the property of the Client. The Contractor must store the Production Items free of charge for the Client and, upon request, return them free of charge at any time. The same applies for molds, tools, or other devices or auxiliary tools for the manufacture of the products manufactured after the Production Items or fully or partially at the Client's expense (hereinafter likewise referred to as "Production Items"). Changes to the Production Items may only be made with the Client's prior written approval.
- 2. Ownership of the Production Items is transferred to the Client upon payment. The Contractor must store these items properly and free of change for the Client. If the Client paid for the Production Items before their completion, the Client shall correspondingly also acquire ownership of the respective item before its completion. If the Client makes payments in installments, ownership of the items produced or to be produced is transferred to the Client in the ratio of the partial payments made to the remaining owed amount.
- The Client has the right to acquire ownership of items produced or to be produced for it by paying the outstanding remaining amount at any time.
- 4. The Client can demand for items it owns to be returned at any time. The Contractor cannot invoke rights of retention for the items owned by the Client.
- 5. The regulations of Section J, No. 2 and 3 also apply accordingly for Production Items.

### L. Confidentiality / protection of know-how

- 1. The Client provides the Contractor with know-how, particularly in the form of project and construction drawings and advisory services. The Contractor recognizes this know-how as the intellectual property of the Client.
- 2. The Contractor is obliged to handle with strict confidence all information of a technical or commercial nature from the Client's field in verbal, written, or any other form to which it is given access in the context of its cooperation with the Client, in particular, the Client's know-how and information about trade and company secrets (e.g. inventions, technical processes formulae, software codes, product designs, costs, and other unpublished financial information, prices, and other marketing data) (hereinafter referred to as "Confidential Information") and to take all necessary measures to prevent third parties, in particular current or potential competitors, from knowing about or exploiting such information. Here the Contractor shall exercise its own due care, but should exhibit no less than the



diligence of a prudent businessman. Self-employed staff and employees must be committed to non-disclosure, provided they are not otherwise already held to this. The Contractor must commit any subcontractors and suppliers to the same extent to non-disclosure with regard to the Confidential Information.

- 3. The Contractor is obliged not to use the Confidential Information for its own purposes or for third parties without explicit written approval from the Client.
- 4. Information for which the following is verifiable is excluded from the obligations under Numbers 2 and 3:
- \* the information was generally accessible to the public at the time it was acquired, or
- \* at the time the information was acquired it was already known to the Contractor, or
- \* the information is or was made available to the Contractor through third parties and the third parties had acquired the information legally and were authorized to disclose it or
- \* the information was previously excluded from these obligations by the Client in
- 5. The confidentiality obligation does not apply if the Contractor is required to disclose information due to a court or public authority decision. In this event, the Contractor shall inform the Client of the disclosure immediately.
- 6. The Contractor shall return all documents, data storage devices, and other materials received from the Client without delay upon the Client's request. Any files created and all electronic copies shall be deleted from all data storage devices.
- 7. If the Contractor receives requests or orders for the construction of the same or similar devices or device components, it is obliged to inform the Client of this unless it immediately declines to accept the order. Detailed technical solutions which include know-how are also regarded as device components.
- 8. For each individual culpable breach against one of the obligations from this Section L, the Contractor shall pay the Client an appropriate contractual penalty to be determined by the Client in each individual case, the Contractor can have the appropriateness of the sum reviewed by the responsible court pursuant to Section
- O. The penalty for breach of contract is credited against possible claims for damages by the Client. As damage compensation, the Client can request at least an appropriate license fee.
- 9. The obligations according to Section L also apply after the conclusion of the cooperation between the contractual partners.

## M. Quality assurance

- The Contractor shall in each case promptly check whether a description provided by the Client is obviously flawed, unclear, incomplete, or clearly deviates from the sample. If the Contractor determines that this is the case, it shall notify the Client of this in writing immediately.
- 2. The Contractor shall maintain an appropriate quality management system and shall produce and test the products in accordance with the regulations of this quality management system. The Contractor shall promptly make sure that the Client's requirements are in accordance with this quality management system. The Contractor shall promptly inform the Client in writing of any changes to its quality management system or to the certification status of the quality

management system.

- 3. The Client and the Client's customers are entitled, after giving prior notice, to visit the Contractor's production sites and production plants at appropriate intervals to find out about the Contractor's production process and the Contractor's adherence to its contractual obligations, particularly adherence to the agreed specifications, delivery dates, and the implementation of the quality assurance system and quality assurance measures. The minimum notice period is 3 working days. The Contractor must make a professionally qualified employee available during these visits to provide support. Here the Client shall take the Contractor's confidentiality requirements into account. If the delivery relates to medical devices pursuant to the Medical Devices Act, the Contractor shall also grant the "notified bodies" or the responsible authorities access to its production sites.
- 4. The Contractor must ensure that the Client and its customers can, if desired, also carry out the measures listed under Section M, No. 1 with the Contractor's subcontractors and suppliers and that the Client and its customers have the same rights towards these subcontractors and suppliers as the Client has towards the Contractor pursuant to Section M, No. 1. The Contractor must, above all, gain the necessary approval from the subcontractors and suppliers, so that the Client or the Client's representatives and its customers are able to carry out visits and examinations on-site with the respective subcontractors and suppliers.
- 5. The Contractor ensures the traceability of the Contractual Items back to their raw materials. Through product labeling or, if this is not possible or appropriate, through other measures, the Contractor shall ensure that, in the event of a product fault, it can immediately establish which other products may be affected. The Contractor shall instruct the Client in its labeling system or other measures in such a way that the Client can carry out its own investigations to the extent necessary.

# N. Other obligations of the Contractor

- 1. The Contractor undertakes to adhere to the applicable statutory provisions and to the regulations of the Client's Code of Conduct.
- The Contractor is above all obliged to observe the Minimum Wage Act (MiLoG: Mindestlohngesetz) and the Posted Workers Act (AEntG: Arbeitnehmer-Entsendegesetz) in the respective valid versions, and in particular to pay its employees the statutory minimum wage.
- 3. If claims are made against the Client pursuant to the provisions of Section 13 MiLoG and Section 14 AEntG by the Contractor's employees, or employees of one of the Contractor's subcontractors or lenders, the Contractor must release the Client from the liability according to Section 13 MiLoG and Section 14 AEntG and must reimburse all costs incurred by the Client through the claims of these employees, unless the Contractor is not responsible for these. The Client is entitled to hold any payments it has made pursuant to Section 13 MiLoG and Section 14 AEntG against all claims for payment by the Contractor and to offset the claims against one another.
- 4. In the event that, following prior approval by the Client, the Contractor assigns the contractually agreed performance or parts of it to subcontractors or if it commissions a lender, the Contractor agrees to contractually guarantee compliance by the subcontractor or lender with the obligations stated in Section



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- 5. The Contractor agrees to submit evidence every month that the Contractor and the subcontractors and lenders commissioned by the Contractor have payed the minimum wage. The Client is entitled to view anonymized payrolls from the Contractor at any time.
- 6. To secure its claims, the Client reserves the right to request the provision of a security, e.g. a bank guarantee, at any time.
- 7. The Client is also entitled to a right to extraordinary termination or to withdrawal with regard to the contractual relationship with the Contractor if the Contractor, or a subcontractor or lender commissioned by the Contractor, fails to pay the minimum wage in accordance with Section 1 MiLoG or violates the regulations of AEntG.

#### O. Final provisions

- 1. The exclusive place of jurisdiction for all disputes related to the agreements between the contractual partners and regarding the effectiveness of these agreements is Tübingen (Federal Republic of Germany). The Client is entitled to assert claims against the Contractor at any other place of jurisdiction, particularly at the location of the general place of jurisdiction of the Contractor.
- 2. The agreements between the contractual parties are subject to the law of the Federal Republic of Germany to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG)).
- Changes and amendments to this Agreement require the written form in order to be effective. This also applies to changes to this clause requiring the written form.
- 4. Should individual provisions in this Agreement be or become void or ineffective, this shall not affect the effectiveness of the other provisions. The contractual partners undertake to agree upon a regulation in place of the void or ineffective provision which is as close as possible to this provision in legal and economic terms.

Dated: 12/2014