

GENERAL TERMS AND CONDITIONS OF PURCHASE of PAUSCH Medical GmbH

(This translation serves for convenience purposes. The German wording is binding)

Valid as of: December 1st, 2021

§ 1 General Information / Scope of Application

(1) These General Terms and Conditions of Purchase (T&C) shall be valid for all business relations with our business partners and suppliers (hereinafter: „Supplier“). The T&C shall apply only where the Supplier is an entrepreneur (§ 14 BGB [German Civil Code]), a legal entity governed by public law or a special fund under public law.

(2) The T&C shall apply in particular to contracts for the sale and/or supply of moveables (hereinafter also: „goods“) to PAUSCH, regardless of whether the Supplier produces the goods itself or purchases these from other suppliers (§§ 433, 651 BGB). The T&C shall also apply in their respective version as a framework agreement for future contracts for the sale and/or supply of movables with the same Supplier, without our having to refer to them again in each individual case; should there be changes to our T&C, we shall inform the Supplier of these immediately.

(3) These T&C shall apply exclusively. Any differing, contradictory or supplementary general terms and conditions of the Supplier shall form part of the contract only and to the extent that we have expressly approved their validity in writing. This requirement for approval shall apply in all cases, for example, even if we accept the deliveries of the Supplier without reservation in full knowledge of the general terms and conditions of the Supplier.

(4) Individual agreements reached with the Supplier in specific cases (including subsidiary agreements, addenda and amendments) shall in every case take precedence over these T&C. The content of such agreements shall be determined by a written contract and/or our written confirmation.

(5) Any legally significant declarations and notices to be submitted to us, where necessary, by the Supplier after conclusion of contract (e.g. setting of deadlines, reminders, declaration of withdrawal) must be received in written form in order to be effective.

(6) References to the application of statutory provisions are for clarification purposes only. Even without such clarification, statutory provisions shall therefore apply, insofar as they are not directly altered or expressly excluded in these T&C.

§ 2 Conclusion of Contract

(1) Our order shall be considered binding at the earliest upon written submission or confirmation thereof. The Supplier must inform us of any obvious errors (e.g. typing and calculation errors) and incompleteness of the order, including the order documents, for the purposes of correction and/or completion prior to acceptance; the contract shall otherwise be considered not concluded.

2) The Supplier shall be obliged within a period of three (3) working days to confirm our order in writing or in particular execute the order by dispatching the goods unconditionally (acceptance). A late acceptance constitutes a new offer and must be accepted by us.

§ 3 Delivery Time / Default in Delivery

(1) The delivery time specified by us in the order shall be binding. If the delivery time was not indicated in the order and has not otherwise been agreed either, it shall be two (2) weeks from the conclusion of the

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contract. The Supplier shall be obligated to inform us immediately in writing if – for whatever reason – it is unable to comply with the agreed delivery time.

(2) If the Supplier fails to perform its service or fails to perform the service within the agreed delivery time or is in default, our rights, in particular to withdraw from the contract and to claim compensation, shall be determined in accordance with statutory regulations. The regulations in section 3 shall remain unaffected.

§ 4 Performance / Delivery / Transfer of Risk / Default of Acceptance

(1) Without our prior written permission, the Supplier shall not be entitled to use third-party companies (e.g. subcontractors) to provide the services it owes. The Supplier shall bear the procurement risk for its services, unless otherwise agreed in the individual case (e.g. sale of goods in stock).

(2) The Supplier shall constantly monitor the quality of its services. Prior to each delivery of the delivery items, the Supplier will make sure that the delivery items intended for delivery are free of defects and conform to the agreed technical requirements.

(3) The Supplier will ensure that it familiarises itself in sufficient time with all data and circumstances significant for the fulfilment of its contractual obligations as well as with our intended use of its deliveries. All offers shall be submitted to us free of charge. The Supplier shall ensure that before submitting an offer it has reviewed the local conditions thoroughly and has by examining the documents gained a clear understanding on the implementation of the services as well as compliance with the technical and other regulations. The Supplier shall check any documents provided, including with respect to local conditions, accuracy, feasibility and, where appropriate, preparatory work carried out by third parties. It must inform us of concerns of any kind without delay, stating the reasons, and reach an agreement with us about the continuance of the work.

(4) We may request modifications to the construction and design of the delivery items within reasonable limits. The Supplier shall implement the modifications within a reasonable time period. Appropriate regulations shall be mutually agreed on the implications of these modifications, particularly in terms of additional or reduced costs as well as delivery dates. If no agreement is reached within a reasonable period, we shall decide according to our discretion.

(5) The Supplier shall ensure that in the case of delivery of production material it is also able to supply us with the delivery items or parts thereof as spare parts under reasonable terms for a period of ten (10) years following the termination of the supply relationship.

(6) Delivery shall be „free of charge“ within Germany to the location specified in the order. If the destination is not specified and nothing else has been agreed, delivery shall be made to our head office in Erlangen. The respective destination location shall also be the place of performance (debt to be discharged at creditor's domicile).

(7) The delivery should be accompanied by a delivery note stating the date (issue and shipment), contents of the delivery (product number and quantity) and our order identification (date and number). If the delivery note is missing or is incomplete, we shall not be responsible for any resulting delays in processing and payment.

(8) A corresponding dispatch note with the same content should be sent to us separate from the delivery note.

(9) The risk of accidental loss and accidental deterioration in the condition of the goods shall pass to us no later than upon the handover at the place of performance. If acceptance is agreed, this shall be binding for the passing of risk. Acceptance shall in all other respects be governed by the statutory regulations of the law on labour contracts. Handover and/or acceptance shall be deemed to have taken place, if we are in delay in acceptance.

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(10) Statutory provisions shall apply for the occurrence of our delay in acceptance. The Supplier must, however, expressly offer us its performance even if for any act or involvement on our part (e.g. provision of material) an identified or identifiable calendar time is agreed. If we are in default of acceptance, the Supplier can in accordance with statutory provisions demand reimbursement of reasonable additional expenses (§ 304 BGB – German Civil Code). If the contract relates to a non-fungible item to be produced by the Supplier (custom-made item), the Supplier shall have further rights only if we have committed ourselves to cooperate and are responsible for the failure to cooperate.

(11) The Supplier shall clarify to us the necessary official authorisations and reporting obligations for the import and sale of the delivery items.

(12) For shipments from preferential countries, the Supplier shall provide a proof of preferential status with each shipment. The long-term supplier declaration pursuant to Regulation (EC) 1207/2001 must be presented annually. Furthermore, the Supplier shall be obliged to comply with the relevant export control regulations and inform us without prompting of the export control designation of the delivery goods, in particular under EU and US law, in writing no later than with the delivery.

§ 5 Acceptance of Services

(1) The acceptance of works services by us shall take place formally after completion of the work by means of counter-signature on an acceptance report. For services that due to the further progress in execution can no longer be checked and examined at a later point in time, the Supplier shall invite us to the examination in written form in good time. A presumption of acceptance by non-response to an acceptance request of the Supplier, by payment or by actual putting into use is excluded.

(2) Officially prescribed acceptances of any kind, in particular acceptance by recognised experts, must be arranged by the Supplier at its own expense prior to acceptance of the labour service, unless this service is expressly excluded from the scope of service. Official certificates of freedom from defects and any regulatory acceptances must be forwarded to us in good time prior to the acceptance of the labour service.

§ 6 Prices / Payment Terms

(1) The price specified in the order shall be binding. All prices shall be quoted net exclusive of the respective statutory value-added tax (VAT).

(2) Unless otherwise agreed, prices quoted shall include all services and ancillary services of the Supplier (e.g. assembly, installation), and all ancillary costs (e.g. correct packaging, transport costs, including any transport and liability insurance). The Supplier must take back all packaging material on our request.

(3) The agreed price shall be due for payment within thirty (30) calendar days after complete delivery and performance (including any agreed acceptance) and receipt of a proper invoice. If payment is made within 14 calendar days, the Supplier shall grant a discount of 3%. In the case of bank transfers, payment shall be deemed as effected on time if our transfer instruction is received by our bank before the expiry of the payment period; we shall not be responsible for delays caused by the banks involved in the payment process.

(4) We shall not be liable for any interest accruing. Annual default interest shall be five (5) percentage points above the basic interest rate. For the occurrence of our default, the statutory provisions shall apply, whereby with possible deviation from these a written reminder by the Supplier shall be required in each case.

(5) We shall be entitled to set-off and retention rights and to plead the defence of the contract not being fulfilled within the scope of the law. We shall be especially entitled to hold back payments due for as long as claims for incomplete or deficient orders against the Supplier are still due to us.

(6) The Supplier shall have a set-off or retention right only on account of legally established or undisputed counter-claims.

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§ 7 Confidentiality / Reservation of Title

(1) We shall retain ownership and copyright to all diagrams, plans, drawings, calculations, instructions, product descriptions and other documents. Such documents shall be used exclusively for the contractual performance and shall be returned to us after completion of the contract. The documents must be kept confidential vis-a-vis third parties, even after termination of the contract. The obligation to confidentiality shall cease to apply only when and insofar as the knowledge contained in the documents provided becomes publicly known.

(2) The above regulation shall apply accordingly for substances and materials (e.g. software, finished and semi-finished products) as well as for tools, templates, samples and other items that we provide to the Supplier for the production. Such objects shall – while they are not processed – be stored separately at the costs of the Supplier and protected within the appropriate scope against destruction and loss.

(3) The Supplier shall ensure that it has unreservedly all intellectual property rights that are contained in the goods it has delivered and is able to transfer these over to us for unrestricted use, exploitation and further transfer.

(4) Any processing, mixing or combination (further processing) by the Supplier of items provided shall be done on our behalf. The same shall apply for further processing of the delivered goods by us, such that we shall be considered to be the manufacturer and in accordance with statutory provisions shall acquire ownership of the product no later than at the time of the further processing. (5) The transfer of ownership of the goods to us shall be made unconditionally and regardless of payment of the price. If, however, in individual cases we accept an offer of the Supplier for transfer of ownership contingent on payment of the purchase price, the reservation of title by the Supplier shall expire no later than with the payment of the purchase price for the delivered goods. In the ordinary course of business, we remain authorized even before payment of the purchase price to resell the goods under advance assignment of the claim arising therefrom (alternative application of simple reservation of title and extended reservation of title in the case of resale). This thus excludes in any case all other forms of reservation of title, in particular advanced and transferred reservation of title and retention of title extended in the case of further processing.

§ 8 Provided Objects

Materials, parts, containers, special packaging, tools, measuring equipment or similar provided by us (provided objects) shall remain our property. In the case of the processing, combination or mixing of provided objects, we shall receive co-ownership of the new object in the ratio of the value of the provided object to the value of the whole product. The Supplier shall have no right of retention, for whatever reason, to the objects provided.

§ 9 Tools

Notwithstanding any other agreements, we shall receive full or joint ownership in the extent to which we have contributed to the verifiable costs for tools for the production of the delivery item. The tools shall pass into our (joint) ownership upon payment. They shall remain on loan with the Supplier. The Supplier shall be authorized to actually or legally dispose of such tools, or to change their location or make them permanently non-functional only with our consent. The tools shall be labelled by the Supplier as our (joint) property. The Supplier shall bear the costs for the maintenance, repair and replacement of the tools. Replacement tools shall be our property according to our proportion in the original tools. In the case of co-ownership of a tool, we shall have a right of first refusal to the joint ownership of the Supplier. The Supplier shall use tools that are in our (co)ownership exclusively for the production of the delivery items. After completion of the delivery, the Supplier shall return the tools to us immediately upon request. In the case of co-owned tools, we shall upon receipt of the tool compensate the Supplier for the fair value of its co-ownership component. The Supplier shall not have a right of retention under any circumstances. The surrender obligation shall also apply for the Supplier in the event of an insolvency application against it or in the case of a long-term interruption of the supply. The Supplier shall insure the tools within the agreed scope or, if no agreement has been made, within the customary scope.

§ 10 Software

Insofar as the scope of supply includes non-standard software, the Supplier agrees for a period of five (5) years from delivery of the delivery item to make changes/improvements to the software according to our

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specifications against reasonable reimbursement of costs. Insofar as the software comes from upstream suppliers, the Supplier shall oblige these correspondingly.

§ 11 Unsatisfactory Performance

(1) Our rights in the case of material defects and deficiency in title of the goods (including incorrect and short deliveries as well as incorrect assembly, deficient assembly, operating or usage instructions) and other breaches of obligations by the Supplier shall be governed by statutory regulations, unless otherwise stated.

(2) According to the statutory regulations, the Supplier is especially responsible for ensuring that the goods are of the agreed quality at the time of transfer of risk to us. Agreement on quality shall be determined at least by the relevant product descriptions, which, especially through designation or reference in our order, are a component part of the relevant contract or have been brought into the contract in the same way as these General Terms and Conditions of Purchase. It makes no difference in this respect whether the product description comes from us, from the Supplier or from the manufacturer.

(3) By way of derogation from § 442 para. 1 sentence 2 BGB, claims of defects shall only apply to us without restriction if the defect has remained unknown to us as a result of gross negligence.

(4) The commercial requirements for inspecting goods/services shall be governed by statutory regulations (§ 377, 381 HGB [German Commercial Code] with the following proviso: Our obligation to examine shall be limited to defects which are discoverable by an external examination of incoming goods, including of the delivery documents and in sample checks for quality control (e.g. transport damage, incorrect or insufficient delivery). If acceptance is agreed, no obligation to examine applies. In all other respects, it depends on the extent to which an examination is feasible in the ordinary course of business, taking into account the circumstances of the case. Our notification obligation for defects discovered later shall remain unaffected. In all cases, our complaint (notification of defect) shall be deemed immediate and timely if it is received by the Supplier within ten (10) working days.

(5) The costs incurred by the Supplier for the purposes of examination and improvement (including any dismantling and assembly costs) shall be borne by the Supplier even if it transpires that no defect actually existed. Our liability for damages in the case of unjustified requests to correct deficiencies shall remain unaffected; to this extent we shall, however, be liable only if we have recognized or failed through gross negligence to recognise that there was no defect.

(6) If the Supplier does not meet its obligation for supplementary fulfillment by, at our discretion, correcting the defect (improvement) or by delivering a defect-free item (replacement delivery) within a reasonable deadline set by us, we can correct the defect ourselves and demand compensation for the efforts required or a corresponding additional payment from the Supplier. If the supplementary fulfillment by the Supplier fails or is unacceptable to us (e.g. because of urgent requirement, endangerment of operational safety or the threat of the occurrence of disproportionate damages), no deadline need be set; we shall inform the Supplier of such circumstances immediately, if possible beforehand.

(7) In all other respects, we shall in the case of a material defect or defect of title be entitled according to the statutory provisions to reduce the purchase price or to withdraw from the contract. In addition, we shall according to the statutory provisions be entitled to damages and expenses.

§ 12 Recourse of the Supplier

(1) In addition to the claims for defects, we shall be entitled without limitation to our legally determined rights of recourse within a supply chain (supplier's redress pursuant to §§ 478, 479 BGB) We shall be especially entitled to demand from the Supplier exactly the type of supplementary performance (improvement or replacement delivery) that we owe to our customers on a case-by-case basis. Our statutory right to choose (§ 439 para 1 BGB) shall not be limited thereby.

(2) Before we acknowledge or fulfil a defect claim asserted by our customer (including reimbursement of expenses in accordance with §§ 478 para 3, 439 para 2 BGB), we will notify the Supplier and, providing a short presentation of the facts, request its response in writing. If the response is not received within a

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reasonable period and no mutually agreed solution is brought about either, the claim we actually conceded shall be regarded as owed to our customer; counter evidence in this case shall be incumbent upon the Supplier.

(3) Our claims from supplier recourse shall also apply if the goods were further processed by us or one of our customers before their sale to a consumer, e.g. by incorporation into another product.

§ 13 Producer Liability

(1) Where the Supplier is responsible for product damage, it shall be obligated to indemnify us from damage claims by third parties, provided that the cause is within its sphere of control and organisation and it is personally liable vis-a-vis third parties.

(2) As part of its obligation to indemnify, the Supplier shall be required to reimburse any expenses pursuant to §§ 683, 670 BGB that arise from or in connection with any recourse taken by third parties, including product recalls carried out by us. We shall notify the Supplier, as far as is reasonably practicable, regarding the content and scope of the recall measures being carried out and shall give the Supplier an opportunity to comment. This shall not affect further statutory claims.

(3) The Supplier shall take out and maintain product liability insurance with a lump-sum coverage of at least one (1) million euro per person/material damage.

§ 14 Statute of Limitations

(1) The reciprocal claims of the contracting parties shall expire in accordance with statutory regulations, unless otherwise defined.

(2) By way of derogation from § 438 para. 1 sentence 3 BGB, the general period of limitation for claims of defect shall be three (3) years from the transfer of risk. If acceptance is agreed, the statute of limitations shall begin upon acceptance. The three-year period of limitation shall apply correspondingly for claims for deficiency in title, whereby the statutory period of limitation for restitution of property of third parties (§ 438 para. 1 sentence 1 BGB) shall remain unaffected; claims for deficiency in title shall, moreover, not expire in any case as long as the third party is still able to assert the right against us, particularly if there is no statute of limitations.

(3) The periods of limitation for the law on sales including the aforementioned extension shall apply, within the scope permitted by law, for all contractual claims of defect. If we are entitled to make compensation claims for damages outside of this agreement due to a defect, these shall be subject to the statutory statute of limitations (§§ 195, 199 BGB), unless the application of periods of limitation for the law on sales result in a longer period of limitation in a specific case.

§ 15 Force Majeure / Longer Term Inability to Deliver

(1) Natural catastrophes, unrest, government measures and other unforeseeable and unavoidable events shall exempt the Supplier and us from performance obligations for the duration of the disruption and to the extent of their effect. The affected party shall fully inform the other contracting party immediately and do everything within reason to limit the effects of such events. The affected party must inform the other contracting party immediately about the end of the disruption.

(2) In the case of a longer term inability to deliver, cessation of payments or the opening of insolvency proceedings, the rejection of the opening of insolvency proceedings due to insufficient assets or the commencement of comparable proceedings with respect to one of the contracting parties, the other contracting party shall be entitled to withdraw from the contract in respect of the part not yet fulfilled. If the Supplier is affected by one of the above events, it will help us to the best of its ability in shifting the production of the delivery item to us or a third party, including licensing intellectual property rights necessary for the production under industry-standard terms and conditions.

§ 16 Compliance with Anti-Corruption and Antitrust Law

(1) The Supplier undertakes not to commit any act or fail to act in any way whatsoever which might result in regulatory or criminal sanctions, in particular on account of corruption or violation of antitrust and

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competition law, against the Supplier, persons employed by the Supplier or third parties appointed by the Supplier (hereinafter referred to as „violation“ or „violations“). The Supplier shall be responsible for instigating appropriate measures to prevent violations. For this, the Supplier shall in particular oblige persons it employs or third parties it appoints correspondingly.

(2) The Supplier undertakes, upon written request from us, to provide information on the abovementioned measures, particularly about their content and implementation status. The Supplier agrees, upon written request by us, to complete fully and truthfully a questionnaire provided by us for the purposes of self-disclosure and to provide any related documents to us; this shall take place every three calendar years.

(3) The Supplier shall inform us immediately of the initiation of official investigation proceedings on account of a violation. Furthermore, where there is evidence of a violation by the Supplier, we shall be entitled to demand written information about the violation and the measures taken to rectify and avoid this in future.

(4) In the event of a violation by the Supplier, we shall be entitled to demand immediate injunction and the reimbursement of all damages incurred by us through the violation.

§ 17 Place of Jurisdiction and Governing Law

(1) For these T&C and all legal relationships between us and the Supplier the law of the Federal Republic of Germany shall apply under exclusion of international uniform law, in particular the UN Sales Convention. The requirements and the effects of the reservation of title shall be subject to the laws of the respective storage location of the product, insofar as these state that the choice of law made in favour of German law is inadmissible or invalid.

(2) If the Supplier is a businessman within the meaning of the German Commercial Code (HGB), a legal entity under public law or a special fund under public law, the sole – including international – place of jurisdiction for all disputes arising from the contractual relationship shall be our registered office in Erlangen. We shall, however, also be entitled to take action at the place of performance for the delivery commitment.

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