

## General Purchasing Terms and Conditions for LTS LOHMANN Therapie-Systeme AG

### 1. General

- 1.1. These General Purchasing Terms and Conditions (hereinafter "Purchasing Terms and Conditions") of LTS LOHMANN Therapie-Systeme AG (hereinafter "LTS") constitute the sole guidelines governing deliveries and services between the supplier or service provider (hereinafter "Supplier") and LTS and exclusively govern such deliveries and services, unless specified otherwise.
- 1.2. In the event the purchasing terms and conditions for IT services are incorporated, these Purchasing Terms and Conditions shall be subordinate and supplemental to them.
- 1.3. No amendments and additions or any terms and conditions of the Supplier which deviate from these Purchasing Terms and Conditions will be accepted unless they have been expressly agreed to in writing by LTS on a case-by-case basis. The same applies as well even in cases where LTS does not explicitly reject general terms and conditions that are included in the proposal or in the order confirmation from the Supplier. Acceptance of deliveries or services or payment for them does not constitute agreement by LTS with the Supplier's general terms and conditions.
- 1.4. Individual agreements shall prevail over these terms and conditions of purchase at all times.

### 2. Proposal

- 2.1. Submission of proposals (including cost estimates) shall be free of charge and non-binding for LTS. All correspondence related to the request for proposal must include the information required for processing. Proposals must be submitted by the deadline. No reimbursement of costs will be made for visits or preparation of proposals, projects etc.
- 2.2. The Supplier must clearly indicate any deviations from LTS' request for proposal and must also offer LTS alternatives that are technically or economically more favorable than the stipulations contained in the request for proposal.

### 3. Order placement and order confirmation

- 3.1. The written form requirement applies to the conclusion of the contract, contractual amendments and addenda, as well as any other agreements. Individual orders (this also includes order acceptances, delivery schedules, etc.) placed under a general contract can also be submitted in electronic form (e-mail, electronic data interchange, etc.). Orders placed verbally or by telephone require subsequent confirmation by LTS in at least electronic text form (e-mail) in order to be legally valid. The same applies to oral collateral agreements.
- 3.2. Provided separate agreement has been made to do so, legal declarations by both parties can also be made in electronic form. In this case, the person issuing the statement must include his/her name and include a qualified signature in the document in accordance with the Digital Signature Act. For a contract, both parties must respectively attach an electronic signature on identical documents in the above-mentioned manner. If the document has been digitally signed in accordance with the stipulations of the Digital Signature Act, each party is bound by the statements contained in any such digital document until there is evidence to the contrary.
- 3.3. The Supplier must check each order from LTS for noticeable errors, ambiguities, incompleteness and unsuitability of the specifications chosen by LTS for the intended use. The Supplier must inform LTS immediately of any required changes or clarifications in the order.
- 3.4. If the delivery as stipulated in the order is not expected to take place within 4 days of receiving the order, then the Supplier must at a minimum immediately send an email confirmation of the order with pricing information and the soonest or a specified date of delivery. If an order confirmation is not received by LTS within 14 days of the order being received by the Supplier, LTS is entitled to cancel the order, whereby the Supplier will not be entitled to claim compensation from LTS. If the order confirmation deviates from the content of the order, this must be clearly indicated.
- 3.5. The agreed prices are fixed prices and exclude additional charges of any kind. If not otherwise agreed in individual cases, the price includes all services and ancillary services as well as all of the Supplier's ancillary costs. These prices also include costs for packing and shipping to the shipping address or place of use provided by LTS, as well as for customs formalities and duties. If the order does not specify any prices, the current list prices with the customary deductions shall apply. The type of pricing does not affect the agreement on the place of performance.
- 3.6. The Supplier must mention the complete order number and the order date in all documents.
- 3.7. LTS has the right to request changes in the deliverables even after contract conclusion, as long as the request is reasonable for the Supplier. Such contract changes must take into account the increase or reduction in cost or impact on the deadline that such changes may entail.

### 4. Provision of service by the Supplier or third parties

- 4.1. Services must be provided by the Supplier itself or by third parties incorporated in its organization for whom the Supplier is solely responsible. The Supplier may employ other third parties only after prior approval of LTS, at least in electronic form (email). If LTS agrees to the employment of third parties, they must be engaged by the Supplier in its own name and at its own expense. If the Supplier intends to employ third parties for contract fulfillment from the outset, then the Supplier must explicitly mention this to LTS in its proposal.
- 4.2. If the services are to be provided at an LTS location, then the Supplier must comply with the applicable local safety and administrative regulations for external companies, especially the information in LTS's "Instruction Leaflet for Fitters and External Tradespersons" and follow the instructions contained therein. The same applies to all other applicable regulations that are available for inspection at the given location.
- 4.3. The Supplier must employ sufficiently qualified persons to provide the service.

## **5. Delivery date and service provision times**

- 5.1. The deadlines/dates for the deliverables/services specified in the orders/draws are binding. Deviations are only permitted with prior consent by LTS, to be communicated at a minimum in electronic text form (via email). Delivery times commence from receipt of the order.
- 5.2. In the case of deliverables, delivery of defect-free goods to LTS during normal business hours with the required shipping documents at the location indicated in the order (hereinafter "destination") shall be the criterion for determining compliance with the delivery date. If a delivery includes arrangements for installation/service, then the handover of goods in perfect working condition after proper installation/service shall be the criterion for determining compliance with the delivery date. Insofar as acceptance is required by law or contractually agreed, the date of acceptance is binding. Early deliveries / services or partial deliveries / partial services will be accepted only after explicit prior agreement.
- 5.3. As soon as the Supplier becomes aware that the contractual obligations cannot be fulfilled in time or can be only partially fulfilled, then the Supplier must notify LTS immediately in writing or via email stating the reasons and the estimated delay. The unconditional acceptance of a late (partial) delivery or (partial) service does not constitute a waiver by LTS of rights or claims for breach of contract regarding the delivery or service.
- 5.4. If the Supplier does not complete the services within the agreed time, it will be liable according to the statutory provisions. Additionally, in the event of delivery delays, LTS is entitled, after prior written warning to the Supplier, to demand a contractual penalty of 0.5% for each week of delivery delay or part thereof, up to a maximum of 5% of the order value, unless the Supplier is not responsible for the delay. Any such contractual penalty paid will be offset against the damage caused by delay, for which the Supplier must provide compensation. The contractual penalty can be imposed until the final payment is due without any reservations.
- 5.5. The Supplier is obliged to request any documents needed for the performance of the contract or other agreed acts of cooperation from LTS in a timely manner.

## **6. Delivery, dispatch and packing**

- 6.1. LTS is exempt from freight forwarder's insurance (SLVS: Speditions-, Logistik- und Lagerversicherungsschein: German transport, logistics and storage insurance certificate). In the event the Supplier obtains its own transport insurance, it must in all cases bear the costs for this insurance.
- 6.2. Unless otherwise agreed, the delivery of goods must be made "DAP destination (Incoterms 2010)". For each shipment, LTS is to be issued with shipping documents in duplicate when the goods are dispatched. If a shipment consists of multiple packaging units, it must be clearly indicated which package contains the shipping documents. The shipping notes must contain precise information about the content of the shipment, indicating individual weights, positions and so on. Shipping notes, delivery notes, pallet labels and all correspondence must display the order number. In addition, the pallet label must also include the gross, tare and net weight as well as the mandatory notes for the place of unloading. The declaration of goods in the consignment note must follow the relevant tariff classes for the means of transport. Partial deliveries, if these have been agreed, must be indicated as such in the shipping notes. Goods must be delivered within the times stipulated for receiving goods specified in the respective order. If there is a late arrival, unloading can only take place on the following working day. Any costs incurred as a consequence of failing to adhere to the specified times will be charged to the Supplier.
- 6.3. For materials requiring special treatment in terms of their packaging, transport, storage, handling and disposal on the basis of laws, regulations or other provisions due to the composition of the materials and their impact on the environment, the Supplier shall provide LTS with a completed safety data sheet in accordance with the requirements of the REACH regulation when submitting the bid and with each delivery. In the event of changes to the legal situation, the Supplier will submit updated data and information sheets to LTS without being requested to do so.
- 6.4. In principle, the Supplier must pack, label and ship hazardous products in accordance with the applicable national/international regulations. In addition to the hazard class, the accompanying documents must also contain the other information stipulated by the respective transport regulations. The same applies to transport, shipping and dangerous goods regulations.
- 6.5. The Supplier is liable for damage and assumes the costs arising from non-compliance with these regulations. The Supplier is also responsible for compliance with these regulations by its subcontractors.
- 6.6. All shipments that cannot be accepted due to non-compliance with these regulations will be stored at the Supplier's expense and risk. LTS is entitled to establish the content and condition of such shipments.

## **7. Invoicing and payment terms**

- 7.1. Invoices are to be sent as a PDF file by email exclusively to [finanzbuchhaltung@ltslohmann.com](mailto:finanzbuchhaltung@ltslohmann.com). Questions about invoicing and payment should be sent by email to [fsb.kreditoren@ltslohmann.com](mailto:fsb.kreditoren@ltslohmann.com).
- 7.2. The agreed prices are net prices plus any statutory VAT. The invoices must meet the requirements of Section 14 UStG (Value Added Tax Act) in each case. Invoices which are not submitted properly shall not be deemed as received until they have been rectified.
- 7.3. Invoices must contain the order number listed in the order and describe the service components in detail. Invoices must also conform to the order in terms of wording, the order of the invoice items and the prices. Any shortfall in a service or any additional services must be listed separately in the invoice.
- 7.4. Payment is made in the conventional manner and within 60 days net at the end of the month after proper receipt of the delivery / complete provision of the service and receipt of the invoice. If the delivery / provision of the service in full do not coincide with the receipt of the invoice, the period for payment begins when the latter of the two events occurs.
- 7.5. LTS will make partial payments only when such have been contractually agreed to and the due date conditions have been met, unless the Supplier is entitled to a claim under § 632a BGB and provides LTS with appropriate security. The security is to be provided by a directly enforceable guarantee from a bank or credit insurer that has its place of business in the EU, in accordance with German law.
- 7.6. LTS reserves the right to withhold payment of the full or partial purchase price in the event of any defects until the latter have been rectified.
- 7.7. A payment does not mean acceptance of conditions and prices. The time of payment does not change the start of warranty periods and does not represent unconditional acceptance of the deliverable or a waiver of possible complaints.

- 7.8. The Supplier is not entitled to transfer any claims relating to LTS or to instruct a third party to collect them, unless there has been prior written authorization from LTS, which must not be refused without good reason.

**8. Statutory minimum wage (MiLoG), Posting of Workers Act (AEntG)**

- 8.1. The Supplier assures LTS that the requirements of the Minimum Wage Act (MiLoG) will be complied with and releases LTS from all potential third party claims, in particular such brought under Section 13 MiLoG. This also applies if and to the extent that the Supplier commissions a third party for the services to be provided.
- 8.2. LTS is not entitled to issue instructions to employees of the Supplier. The Supplier undertakes to ensure that the persons employed by it are not integrated into the operation of LTS within the scope of the provision of services. This applies in particular if persons employed by the Supplier provide the services on the premises or on the property of LTS.
- 8.3. The Supplier is solely responsible for fulfilling the contractual, legal, official and trade union obligations regarding the persons deployed by it for the provision of services. The Supplier shall indemnify LTS in full for any corresponding claims made against LTS in the event of infringement. This applies in particular to obligations to pay wages and/or salaries and/or all other payment obligations resulting from employment or service relationships (e.g., for social security contributions). The same applies to any claims due to temporary employment.

**9. LTS documents and production materials**

Any drawings, models, tools, samples, masters or other production materials which are provided to the Supplier by LTS in order to carry out the order, or which were created by the Supplier on behalf of LTS, are the property of LTS and may not be used, copied, sold, pledged or otherwise made accessible to third parties by the Supplier for other commercial purposes without prior written approval from LTS. LTS reserves the industrial property rights and copyrights to all documents made available to the Supplier. The production materials are to be retained by the Supplier at no charge to LTS, identified as third-party property and insured; they are to be handed over to LTS unsolicited on completion of the order. Subcontractors are to be subject to the same conditions.

**10. Material provided by LTS**

Any materials or parts provided by LTS remain the property of LTS. They may only be used as intended. Processing of materials and assembly of parts are done for LTS. LTS becomes the joint owner of any products produced by LTS through the use of materials or parts, with ownership in the ratio of the value of the materials provided to the value of the product as a whole, which is held in safekeeping for LTS by the Supplier with the diligence expected of a prudent enterprise.

**11. Certificates of origin / customs documentation / regulatory documentation**

- 11.1 By accepting the order, the Supplier undertakes to enable the customs authorities to check proof of origin and supplier declarations and to provide the necessary information as well as any official confirmations (information sheets) that may be required. Furthermore, the Supplier undertakes to compensate LTS for the damage caused by the fact that the declared origin is not recognized by the responsible authority as per the standard procedures.
- 11.2 LTS is entitled to forward the documentation provided by the Supplier to regulatory and supervisory authorities in Germany and abroad if such is required for regulatory reasons.

**12. Granting of rights, transfer of rights**

- 12.1. The Supplier grants LTS the non-exclusive and irrevocable right to use and exploit the work results in all known and unknown forms of use, unlimited in terms of time and content, to all possibly existing industrial property rights in connection with the respective deliverables/services produced by the Supplier or produced by third parties (hereinafter "work results") appointed by the Supplier.
- 12.2. The Supplier grants LTS the exclusive rights to use and exploit, to the extent described above, the work results which the Supplier has produced for LTS or appointed third parties to produce for LTS, and must obtain any rights that may be necessary for this purpose from the third parties.
- 12.3. If the work results are software individually created for LTS by the Supplier or modifications to standard software or software parts, LTS shall be granted exclusive rights to this. Otherwise, the rights are granted on a non-exclusive basis.
- 12.4. In addition to the exclusive intellectual property, LTS also acquires the exclusive material ownership of all physical objects and data storage media manufactured or provided by the Supplier or on behalf of the Supplier within the scope of this contract for the execution of the order. This also applies if the items specified remain in the Supplier's possession in whole or in part. These items are to be handed over to LTS upon request.
- 12.5. Payment of the agreed remuneration shall constitute complete and full settlement of both the services of the Supplier due under the contract and the above transfer of rights.

**13. Property rights infringement**

The Supplier warrants that its delivery and/or service does not infringe any domestic or foreign property rights. The Supplier shall, at its own expense, enter into any legal dispute brought against LTS due to such an infringement of property rights. The Supplier shall fully indemnify LTS against claims of third parties arising from any infringement of third party property rights by the work results and/or deliverables used in accordance with the contract and shall compensate LTS for all damages arising therefrom, including court and out-of-court costs.

**14. Non-disclosure**

- 14.1. The Supplier undertakes, subject to statutory, judicial or official disclosure obligations, to use all written and oral information received from LTS only for the purposes provided for in the contract, not to disclose it and not to make it accessible to third parties without the prior written consent of LTS. The Supplier further undertakes to make the information available only to those employees and any subcontractors who are bound by a corresponding non-disclosure agreement and who necessarily need to know the information in order to fulfill the contract between the Supplier and LTS.
- 14.2. The aforementioned obligations shall not apply to such information which was already known to the Supplier at the time it was transmitted without the Supplier being otherwise bound to secrecy vis-à-vis LTS, or which becomes known to the

Supplier by third parties who have received and passed on such information without violating a secrecy obligation, or which was in the public domain at the time it was transmitted by LTS, or which subsequently enters the public domain through no act of the Supplier.

- 14.3. The aforementioned non-disclosure obligation also applies after the order has been processed, unless one of the aforementioned exceptions occurs subsequently.

## **15. Warranty / liability**

- 15.1. The Supplier is liable to provide defect-free deliveries and services, in particular in compliance with the agreed product and service specifications, as well as the provision of contractually guaranteed properties and features. The Supplier also warrants that the deliveries and services correspond to the state of the art and the generally recognized state of the art of safety, occupational medicine and hygiene, are being provided by qualified personnel and are in accordance with all relevant legal regulations at the destination. If machines, devices or systems are part of the deliverable, they must meet the requirements of the special safety regulations for machines, devices and systems applicable at the time the contract is fulfilled and have a CE mark.
- 15.2. The Supplier's liability also extends to parts manufactured and/or supplied by sub-suppliers and services provided by sub-suppliers.
- 15.3. If the commercial obligation to examine and give notice of defects applies in accordance with § 377 HGB [German Commercial Code], LTS will notify the Supplier of obvious defects within ten (10) days of receipt of the goods. LTS will report defects that only become apparent later within ten (10) days after discovery.
- 15.4. If acceptance is required by law or contractually agreed, LTS may refuse to declare acceptance and withhold any partial payment associated with acceptance if the service is not fully performed or is defective.
- 15.5. In the event of defects, LTS shall be entitled to demand subsequent performance in accordance with the statutory provisions. The choice of the type of subsequent performance shall be at the discretion of LTS. The place of subsequent performance shall, at the discretion of LTS, be the place of destination or the place of acceptance, if such is provided for by law or contractually agreed, or another place of shipment of the goods, if this was known to the Supplier at the time of conclusion of the contract. The Supplier shall bear the expenses required for subsequent performance (including any dismantling and installation costs as well as transport costs). The Supplier is guided by the operational needs of LTS in the handling of the subsequent performance. If subsequent performance has not taken place within a reasonable period of time, has failed or the deadline was not adhered to, LTS may assert the further statutory rights in the event of defects.
- 15.6. If subsequent service performance has not taken place within a reasonable period of time, if it has failed or if the deadline was dispensed with, LTS shall be entitled, in addition to the rights set out in Section 16.5, to remedy the defect itself or have it remedied by third parties at the Supplier's expense and risk and to demand reimbursement of the necessary expenses from the Supplier. A deadline may be dispensed with in particular if disproportionately high damages are imminent and the Supplier cannot be reached.
- 15.7. The warranty period is 24 months after receipt or acceptance of the goods by LTS, unless otherwise agreed in writing. For defects reported by LTS within the warranty period, warranty claims expire no sooner than 24 months after the notice of the defects.
- 15.8. The Supplier shall maintain sufficient liability insurance at its own expense for damages for which it and its vicarious agents are responsible. The coverage per damage event shall be justified to LTS upon request. The contractual and statutory liability of the Supplier shall remain unaffected by the scope and amount of its insurance coverage.
- 15.9. Apart from that, the Supplier shall be liable in accordance with the statutory provisions.

## **16. Anti-corruption**

- 16.1. The Supplier must comply with the applicable domestic and international anti-bribery/corruption laws, under German law in particular Sections 299, 333 and 334 of StGB (German Criminal Code). The Supplier assures that there have not been any promises or offers for financial or other benefits made (directly or indirectly) on its part to natural or legal persons or public corporations that could influence, secure or obtain business from LTS by abusing their position. Further, it shall not make such promises or offers to such natural or legal persons and public corporations. Insofar as the Supplier is a public corporation, the Supplier assures that neither it nor its employees or agents have ever accepted such a financial or other benefit and that such a benefit has not been offered to the Supplier or its employees or agents in order to influence the Supplier's decision regarding a contract with LTS.
- 16.2. The Supplier shall notify LTS immediately at any time if circumstances come to its knowledge that are in conflict with the provisions of this anti-corruption clause.
- 16.3. In the event of a violation of this anti-corruption clause, LTS shall be entitled to terminate the respective contract concluded with the Supplier without notice and on reasonable grounds. Such shall not affect any potential claims for compensation.

## **17. Termination, withdrawal**

- 17.1. The right of LTS for standard termination or to withdraw from the contract is based on the statutory provisions, unless an individual contract has been made.
- 17.2. If the contract is a continuing obligation, it can be terminated without notice for just cause. Just cause exists in particular in the following cases:
- 17.2.1. If the Supplier breaches a contractual obligation and does not remedy the breach of obligation within a reasonable period of time set by LTS together with the threat of termination.
- 17.2.2. The relationship of trust has been substantially damaged due to circumstances that have occurred after the conclusion of the contract, e.g., due to the violation of criminal laws and commission of administrative offenses by the Supplier or by persons during the execution of the contract for whose behavior the Supplier is held responsible.
- 17.2.3. The Supplier has not fulfilled its obligation to pay taxes and/or social security contributions.
- 17.2.4. The Supplier has experienced a significant deterioration in its financial situation that jeopardizes its ability to fulfill the contract.
- 17.2.5. There are other circumstances that make it unreasonable for LTS to continue the contract with the Supplier.

**18. Final provisions**

- 18.1. These General Purchasing Terms and Conditions shall apply for the entire duration of the commercial relationship, unless canceled in writing by LTS. For future orders it is not necessary to make renewed reference to these General Purchasing Terms and Conditions.
- 18.2. By accepting the order issued by LTS, the Supplier recognizes these General Purchasing Terms and Conditions. If a master agreement or cooperation contract is agreed to with the Supplier, then all orders issued to that Supplier are subject to the provisions of that master agreement or cooperation contract for the duration of validity of the master agreement or cooperation contract.
- 18.3. The supplier undertakes to comply with the human rights and environmental expectations set out in the client's supplier code of conduct, available at [https://www.itslohmenn.com/wp-content/uploads/26.6\\_LTS-Lieferantenkodex.pdf](https://www.itslohmenn.com/wp-content/uploads/26.6_LTS-Lieferantenkodex.pdf), and to apply and pass on these expectations to its suppliers.
- 18.4. The Supplier may not disclose any existing, future or past business relationship with LTS for advertising or other purposes, regardless of the medium or occasion, until after LTS has given its written consent..
- 18.5. The contractual relationship shall be governed exclusively by the laws of the Federal Republic of Germany, whereby the rules of the United Nations Convention on Contracts for the International Sale of Goods are expressly waived.
- 18.6. Unless expressly agreed otherwise, the place of performance for all deliveries/services shall be the factory premises of LTS in Andernach. The place of jurisdiction, if a place of jurisdiction can be permissibly agreed, shall be Koblenz/Rhine.
- 18.7. If these General Purchasing Terms and Conditions are provided to the Supplier in another language as well, only the German version shall apply.