

1. General

- (1) These Terms and Conditions of Purchase (**Terms**) are applicable to all orders and contracts for the purchase of goods, services and work product deliverables (**Purchases**) made by Vetter Pharma-Fertigung GmbH & Co. KG and any of its affiliate companies (**Vetter**) from a third-party vendor or service provider (**Contractor**). The Terms, which apply in their then-current form at the time a Purchase is made, are available via the Internet at <https://www.vetter-pharma.com/supplier>, and apply also to any future Purchases even in the absence of specific notice thereof.
- (2) Particular contractual provisions, which expressly depart from or contradict the Terms, may be made and shall be given effect.
- (3) Apart from the immediately foregoing, all Purchases are governed exclusively by these Terms. Any other terms and conditions of the Contractor, whether in conflict with or seemingly complementary to these terms, are hereby objected to and shall be without effect, even in instances where Vetter has acknowledged or accepted the same without reservation either generally or as a condition of performance. Such other terms and conditions shall apply only with Vetter's express, written approval and then only to the extent and with respect to the particular contractual provision(s) to which Vetter has given assent.

2. Contracting

- (1) Offers, samples and price information of the Contractor are to be given without cost and should be directed to the appropriate purchasing department. Contractors will be compensated for the preparation of estimates only upon prior, written agreement by Vetter.
- (2) Binding commitments such as orders and confirmations thereof must be made in writing, and likewise any changes or elaborations thereof. An electronic communication such as email and telefax transmission shall suffice as a writing, provided that nothing in the order itself precludes the same.
- (3) An order by Vetter is to be deemed accepted upon Vetter's receipt of an order confirmation. Vetter shall be entitled to cancel any order which has not been accepted within one (1) week of the Contractor's receipt thereof.
- (4) Where the terms of an order confirmation depart from those of the order placed by Vetter, the Contractor must provide clear notice thereof. Any such departure shall be effective only when and to the extent that Vetter approves of the same in writing.
- (5) Contractors must review all requests and orders for recognizable errors, omissions and ambiguities, and must immediately notify Vetter of any changes or clarifications. The same obligation applies with respect to any recognizable unsuitability of a Purchase for Vetter's intended use.

3. Scope of Services

- (1) The scope and particulars of performance to which Contractors are bound shall be determined by the following, in order of priority: (i) the order itself, (ii) these Terms, (iii) any applicable Vetter guidelines and regulations (**Vetter Delivery Specifications**), and (iv) all current and generally recognized guidelines and technical standards applicable to the field.
- (2) To the extent an order lacks details of performance, the Contractor must coordinate the same with the appropriate Vetter technical contact person. For purchase agreements, the above Section 2(5) applies; for both purchase and service agreements, the following Sections 3(3) through 3(6) are applicable.
- (3) Before entering into a Purchase agreement, the Contractor must become familiar with local circumstances and inform Vetter of any which might interfere with performance. In the event of incomplete performance due to such circumstances, the Contractor may rely thereon only when and to the extent they could not have been known.
- (4) Vetter is entitled to request, at any time, modification of the scope and particulars of the Contractor's contracted-for performance. The Contractor will in such case provide a change offer, which shall reflect and inform Vetter of all discernable effects on the Purchase and/or the Contractor's performance. Vetter will be entitled, but not obligated, to accept such a change offer.
- (5) If requested by Vetter, the Contractor will suspend work on the Purchase for such time as the change offer is under consideration. In this event and for such time as work is suspended, all contractually specified dates and times will be correspondingly extended.

- (6) In the event of a change to a Purchase contract, no additional compensation will be due the Contractor if the change was (a) caused by the Contractor or (b) necessitated by circumstances not in Vetter's control which were foreseeable by the Contractor at the time of contracting.

4. Prices and Conditions of Payment

- (1) A price stated in an order shall (a) be fixed and binding, (b) include all deliverables relating to the Purchase as well as any associated packaging, transportation, insurance premiums, duties, tolls or taxes, and (c) not be subject to change in the event of changes in material or labor costs. Unless otherwise expressly provided for in the order, the Contractor shall have no claim for additional costs or expenses.
- (2) Where compensation is to be paid based on units delivered or days or hours worked, Vetter will pay only for performance which is required and actually rendered. At reasonable intervals and without prompting, the Contractor is to submit, to the appropriate functional group or contact person at Vetter and for Vetter's review and approval, records documenting such performance (**Records**), which Records shall specify (a) the order date and the date of accounting, (b) the name and qualification(s) of the person rendering performance, (c) the deliverables/services rendered, (d) the start and ending times, as well as total time spent, in performance, and (e) materials used. Approved Records shall accompany any associated invoice(s). Compensation in excess of the maximum amount specified in the Purchase order or in the applicable cost estimate (**Maximum Order Price**) may be requested, and shall be payable, only if the Contractor notifies Vetter and obtains Vetter's written approval before exceeding the same.
- (3) Invoices are to be sent to invoice@vetter-pharma.com or to Vetter Pharma-Fertigung GmbH & Co. KG, Rechnungsprüfung, Schützenstraße 87, 88212 Ravensburg, Germany. To allow processing by Vetter, they must (a) indicate the order number provided by Vetter at the time of order submission, (b) comply with legal requirements, (c) be verifiable, and (d) contain all necessary Reports and other documentation. The Contractor will be responsible for any consequences arising from a failure to meet these obligations, unless and to the extent such failure was demonstrably outside of the Contractor's control.
- (4) Except as otherwise provided for in the Purchase order, Vetter will pay invoices after delivery or rendering of services is complete and within thirty (30) days of Vetter's receipt of a verifiable invoice. Payments made without reservation, or prior to review or inspection of the Purchase deliverables, shall not be deemed an acceptance of performance by Vetter or acknowledgment by Vetter that the Contractor's contractual obligations have been met, and are made subject to Vetter's reservation of a right of recovery. In such a case, the Contractor shall not be entitled to invoke Section 818(3) of the German Civil Code (*Bürgerliches Gesetzbuch* or "BGB").
- (5) The Contractor shall be entitled to a legal accounting, or to place a lien against Vetter, only in connection with uncontested or successfully adjudicated claims.
- (6) The Contractor will not be entitled, without Vetter's prior written agreement, to cede any right or claim against Vetter to a third party, or to permit a third party to collect the same. Section 354a of the German Commercial Code (*Handelsgesetzbuch* or "HGB") shall not apply.

5. Dates and Times of Performance

- (1) Agreed-upon dates and times of performance are binding upon Contractors and are understood to be of the essence to Vetter.
- (2) In the event of delayed performance by the Contractor, Vetter shall be entitled to any and all legally available remedies except where it can be demonstrated that the Contractor was not responsible for such delay.
- (3) The Contractor must give prompt written notice to Vetter of any significant delay, along with reasons for and anticipated extent of the same. Recourse to circumstances having been beyond the Contractor's control shall be available only where such notice obligations have been met.
- (4) In a case arising under the immediately preceding sentence, the parties will agree in writing to adjust dates and times of performance in accordance with any resulting delays. Otherwise, no changes to dates and times will be permitted except with the prior written agreement of Vetter.
- (5) The Contractor may claim that Vetter has failed to cooperate, or to provide necessary support for delivery or performance of the



Purchase, only if written notice of such failure was given and was not responded to appropriately by Vetter.

- (6) In the event of a delay for which the parties have agreed to liquidated damages or other contractual penalty, Vetter will be permitted to apply such penalty to payments due, whether or not express reservation of a right to the same was made at the time of acceptance of delivery or performance. The parties' agreement to an extension or other change of dates and times shall not serve as a waiver, by Vetter, of any claims arising from prior delay; furthermore, the new date(s) and time(s) shall be fully enforceable.

6. Delivery

- (1) For Purchases of goods, the place of delivery is the place of performance. Upon request by Vetter, the Contractor is responsible for insuring the deliverables during shipment.
- (2) The transfer of ownership and risks, from the Contractor to Vetter, shall be upon arrival at the place of delivery of defect-free goods or, for such goods as may require installation or assembly, upon acceptance of the same by Vetter.
- (3) The Contractor must indicate, in all shipping and delivery documents, the order number and place of delivery specified in the Purchase order. Failing this, Vetter will not be responsible for any delays in processing. Partial or incremental deliveries may be made only with Vetter's written approval and should be clearly identified as such in all associated documents.
- (4) Goods should be packed for shipping using materials that are, to the extent possible, environmentally friendly and in a manner which avoids damage in transit. After delivery the Contractor must, without additional charge to Vetter, recover and recycle or dispose of all packing materials in accordance with applicable regulations; should this be done by Vetter, any costs incurred will be charged to the Contractor.

7. Subcontractors

- (1) The Contractor's obligations with respect to a Purchase may be performed by a technically capable third party (**Subcontractor**) only with prior written approval.
- (2) The Contractor is to choose any such Subcontractor with care to assure that they are sufficiently qualified and capable, and to structure contractual arrangements with the Subcontractor so as to secure compliance with the contract between Vetter and the Contractor. For any substandard or non-performance by the Subcontractor, as for their own, the Contractor shall be personally responsible.

8. Acceptance of Delivery

- (1) Services performed and goods and work products delivered by the Contractor will be subject to formal acceptance by Vetter to the extent they are amenable to the same. In such cases, there is no obligation to perform an incoming inspection.
- (2) In the event of material defects, which may include also instances in which the accompanying documentation is incomplete or incorrect, Vetter will be entitled to refuse delivery. There will be no partial acceptance.

9. Complaints and Notice

- (1) Delivery of goods not subject to formal acceptance as per Section 8 above is accepted subject to a reservation of right of inspection, especially as to accuracy and completeness, as soon as this is reasonably possible under the particular circumstances and in the ordinary course of business.
- (2) For goods, notice of defect (e.g. under Section 377 of the HGB) is generally to be deemed timely and promptly given so long as external and clearly recognizable defects, damage, and discrepancies as to type or quantity are cited within two (2) weeks of Vetter's receipt or within such longer period as circumstances may require. In the event of hidden or latent defects, the start of such notice period will be upon Vetter's discovery of the same. Notice shall be deemed given as of the time of Vetter's sending.
- (3) In the case of a bulk shipment, Vetter will be required only to conduct sampling; is released from any obligation to perform additional inspection; and is permitted to reject the entire delivery if a significant proportion (5% or more) of the delivered goods fail to meet contractual or statutory requirements.

10. Claims for Defects

- (1) The statutory regulations governing defective performance will control, unless a different remedy is provided for in Sections 10(2) through 10(4), below.
- (2) Vetter is entitled to a claim of defective product even as to defect-free goods if (a) in the case of a bulk shipment, a significant portion of the goods are defective, or (b) in the case of multiple similar or identical components, a significant portion thereof are defective, in which instance the claim of defect will extend to all such components.
- (3) Vetter will be entitled to undertake, at the Contractor's expense, replacement of defective goods or work products on its own or via a third party if the Contractor (a) is late in providing a repair or replacement, (b) declines to deliver the same, or (c) circumstances do not, in Vetter's sole judgment, reasonably permit Vetter to offer the Contractor an opportunity to cure the defect(s). This is particularly the case if replacement is needed to defend against severe risks to Vetter's business interests, mitigate damages, or maintain Vetter's capabilities with respect to its own customers.
- (4) Costs incurred by Vetter as a result of the Contractor's defective performance, including especially shipping, travel, labor and material costs or expenses or those for heightened incoming inspection, shall be borne by the Contractor. Vetter may demand advance payment from the Contractor for expenses necessarily incurred in remedying the defect; any subsequent claims will not be affected.

11. Statute of Limitations

To the extent a longer period is not provided for at law, the statute of limitations for claims by Vetter shall run thirty-six (36) months from the time of transfer of risk.

12. Confidentiality and Limit on Publicity

- (1) If Vetter and the Contractor have entered into a separate confidentiality agreement, or otherwise agreed upon their respective obligations of confidentiality, these will take precedence over the following Sections 12(2) through 12(5).
- (2) With respect to all business, operational or technical information (**confidential information**) that becomes known to the Contractor in connection with the business relationship to which these Terms apply, and unless it is publicly known or Vetter has waived confidentiality in writing, the Contractor must keep such confidential information in strict confidence and use it not for personal benefit but exclusively for the fulfillment of contractual obligations. In particular, the Contractor is prohibited from developing its own business or trade secrets through the observation, investigation or testing of the confidential information.
- (3) The Contractor may disclose the confidential information to a third party only with Vetter's prior, written permission, and then only if such third party is legally or contractually bound to the conditions of non-disclosure and non-use specified in Section 12(2), above.
- (4) The Contractor's obligations of non-disclosure and non-use will continue for a period of ten (10) years following the end of the business relationship to which these Terms apply.
- (5) The Contractor is not permitted to disclose the business relationship or to refer to Vetter by name in any press release or other publicity, except with Vetter's prior, written permission.

13. Project Materials

- (1) As to any documents and other materials entrusted to the Contractor in the context of the business relationship (**project materials**) including, but not limited to, drawings, models, plans and calculations, Vetter retains all copyright and other ownership rights.
- (2) In the event additional project materials are needed, the Contractor will generate the same in a form requested by Vetter and in accordance with prevailing trade practices, and will submit the same to Vetter for review and release.
- (3) The Contractor's responsibilities with respect to performance under the Purchase contract are not affected by such review, release or other direction by Vetter. This exclusion is not applicable if, and to the extent, the Contractor expresses concern regarding such direction and Vetter subsequently confirms the same, in each case in writing.
- (4) Upon completion or termination of the Purchase contract, or at any time at Vetter's request, all project materials in the Contractor's possession must be returned to Vetter or destroyed, as requested. The Contractor will not have a right of retention.

14. Third-Party Rights

- (1) The Contractor warrants that their performance under the contract, and Vetter's use of the Purchase in a manner consistent therewith, will not infringe the copyrights or other intellectual property rights of any third party (**third-party rights**).
- (2) In the event of a claim against Vetter for the infringement, in connection with the Purchase or its use, of third-party rights, the Contractor will be obligated to defend Vetter against any such claim and to indemnify Vetter for any costs incurred in connection therewith.
- (3) The Contractor is absolved of responsibility for such claims insofar as the alleged violation of rights arises from project materials entrusted to the Contractor under Section 13(1), above, and the Contractor neither knew nor should have known that third-party rights would be infringed.
- (4) Claims brought in accordance with this Section 14 are subject the usual statutes of limitations.

15. Rights Regarding Work Products

- (1) All materials generated in connection with the Purchase contract, as well as all materials transferred to Vetter's possession in the course of the performance of the contract (including especially project materials, reports, documents, diagrams, presentations, studies and drafts) shall be regarded as **work products**.
- (2) The Contractor grants to Vetter the exclusive right to use all work products as of the time of their generation or, in the case of those transferred to Vetter, the usage rights provided for in the following Section (3) as of the earlier of (a) the time of the work products' transfer or (b) Vetter's payment of compensation for the same. Additionally, Vetter shall acquire sole and exclusive ownership of any work product to which an ownership right attaches and which can be conveyed.
- (3) Vetter shall enjoy a worldwide, perpetual and unlimited right of use, with right of assignment and sublicense, for any and all purposes, and in particular the right to duplicate, distribute, adapt, develop and otherwise exploit.
- (4) The parties agree that the grant of use and ownership rights to and in the work products is fully paid up upon payment of the agreed-upon compensation.

16. Insurance

- (1) The Contractor shall maintain insurance against all risks associated with the Purchase contract in amounts that are usual and customary in the industry.
- (2) The Contractor must maintain the above insurance until the end of all applicable warranty periods, and if requested will provide Vetter with a copy of the proof of insurance.

17. Visitors to Vetter Facilities

- (1) Whenever present at a Vetter's facility, the Contractor, any permitted subcontractor, and any other person supporting the Contractor in the performance of contractual duties must adhere to Vetter's rules for visiting contractors, to be found at <https://www.vetter-pharma.com/supplier>, and to comply with all instructions given by on-site security staff.
- (2) Vetter will not be liable for accidents or injuries to any such visitors, so long as these are not cause by the willful misconduct or gross negligence of Vetter or Vetter's agents or representatives.

18. Compliance and Data Protection

- (1) The Contractor agrees to adhere to Vetter's Supplier Code, which is available at <https://www.vetter-pharma.com/supplier>.
- (2) The Contractor must respect all applicable regulations regarding data protection, and will use any personally identifiable data of Vetter only as permitted under such regulations and only as required under the Purchase contract.
- (3) If the processing of personally identifiable data is to be carried out on behalf of Vetter, the Contractor will commence performance only after the parties have entered into a contract pursuant to Art. 28 of the EU General Data Protection Regulation (GDPR).
- (4) The Contractor acknowledges having read and understood Vetter's statement regarding data protection, available at <https://www.vetter-pharma.com/supplier>.

19. Quality Management

- (1) The Contractor will continuously monitor and document the quality of all Purchases hereunder, and before each delivery will assure,

and document, that all goods and services contained therein are free of defect.

- (2) The Contractor will give Vetter timely notice of any event within its sphere of influence that might impact the quality of the Purchases or their suitability for their intended use, and in particular of changes in (a) the contracted-for products, including materials used therein; (b) production processes, including the substitution of manufacturing sites or the exchange of key personnel; or (c) the corporate form or legal structure of the Contractor.
- (3) Should an event according to the preceding subsection take place, the Contractor will provide – at Vetter's request, on short notice and without charge – samples of any affected products so that Vetter can test the same.

20. Audits

Vetter is entitled to conduct audits of the Contractor, in which the Contractor is obliged to cooperate. Such audits will take place during regular business hours at agreed-upon times, and are to disrupt the usual business operations of the Contractor only to the extent necessary.

21. Termination

- (1) Unless otherwise provided for in the order, termination of the Purchase contract is subject to applicable law and must be in writing.
- (2) Significant grounds for termination without notice by Vetter may arise in particular when (a) the gravity of a Contractor's breach demands that collaboration cease immediately; or (b) a petition for insolvency is filed involving the Contractor's assets and insolvency proceedings are commenced or, in the alternative, the petition is disallowed based upon insufficiency of assets.

22. Miscellaneous Provisions

- (1) The Purchase contract shall be construed and interpreted, and any disputes arising in connection therewith shall be adjudicated, in accordance with the substantive laws of Germany. The United Nations Convention on Contracts for the International Sale of Goods (CISG) shall not apply.
- (2) The exclusive venue for any dispute that may arise between Vetter and the Contractor in connection with the Purchase contract shall be Vetter's place of business. However, Vetter will be entitled to avail itself of the court of competent jurisdiction for the Contractor's place of business.
- (3) Any changes or additions to these Terms will be effective only if agreed to in writing. This applies also to any waiver of this provision.
- (4) In the event that individual provisions of these Terms are or become invalid or unenforceable, they shall, to the extent legally permitted, be construed as having been replaced with valid and enforceable provisions having meaning and effect that comes as close as possible to the original in object, quantity, time, location and scope. The remaining provisions of these Terms shall remain valid and in full force and effect. The above applies also to the filling of any gaps where the Terms are deemed to be incomplete.
- (5) These Terms are translated from their original German form as a convenience for Contractors, and every reasonable effort has been made to ensure their accuracy. However, in the event of a discrepancy between this document and the German-language original, the latter shall control.