

Framework Agreement

between GAUDLITZ GmbH
Callenberger Strasse. 42
D- 96450 Coburg
(hereinafter referred to as GA)

and

(hereinafter referred to as Supplier)

1. Preamble

GAUDLITZ is interested in obtaining particular products (as hereinafter defined) from suppliers. The SUPPLIER is interested in undertaking the task of supplying GAUDLITZ with products.

In order to implement these measures the parties enter into this framework agreement (hereinafter referred to as FRAMEWORK AGREEMENT).

This contract is also valid for all companies in which, directly or indirectly, GAUDLITZ holds a majority interest.

2. Definitions

In this FRAMEWORK AGREEMENT, these terms are defined as follows:

- **"APPENDICES"** denotes the appendices to this framework agreement, which form part of the agreement.
- **"PRODUCT"** means the goods supplied and performances (including specific processes for product development e.g. sterilisation, packing), which are either named in an APPENDIX to this FRAMEWORK AGREEMENT or because of which GAUDLITZ is in contact with the supplier concerning enquiries, offers or orders. For the purposes of this FRAMEWORK AGREEMENT, the term "PRODUCT" also includes the spare parts for the PRODUCTS.
- **"SPECIFICATION"** describes the technical and other PRODUCT requirements (e.g. product specification sheet, drawings)

3. Scope of this FRAMEWORK AGREEMENT, Concurrence with further agreements.

The FRAMEWORK AGREEMENT with the APPENDICES referred to herein applies to:

- all enquiries and offers
- all orders

The GAUDLITZ terms of purchase shall be recognized by both parties and are directly part of this agreement. In cases of discrepancies between this FRAMEWORK AGREEMENT and the purchasing conditions and/or the appendices, this FRAMEWORK AGREEMENT shall take precedence over anything else.

4. Enquiries / Offers

- 4.1. To the extent that it is needed for drawing up an offer, GAUDLITZ shall provide the SUPPLIER with a SPECIFICATION sheet or other information regarding the requirements.

- 4.2. If the SUPPLIER ascertains, on examining the information given to him, that for the purposes of making an offer, this information is incomplete, incorrect or contradictory, the SUPPLIER shall inform GAUDLITZ of this immediately and give the reasons.
- 4.3. In his offer, the SUPPLIER shall list all costs that will arise when producing and delivering the PRODUCT for GAUDLITZ.

5. Orders, Acceptance Period

- 5.1. In order that an effective contract may be concluded, the SUPPLIER shall only accept orders from GAUDLITZ in written form or by fax or e-mail. The SUPPLIER has no authority to take orders in verbal form or by telephone. GAUDLITZ can refuse to accept deliveries if they are not based on an order which meets the requirements of this FRAMEWORK AGREEMENT. In this case GAUDLITZ may return the goods to the SUPPLIER at no extra cost.
- 5.2. The SUPPLIER is obliged to confirm orders within 5 working days. On receiving the order, the SUPPLIER shall also contact GAUDLITZ within the same period of time should he determine the order to be incomplete or contradictory or if it contains unclear or incorrect data or if the service cannot be carried out from a technical or business point of view.

6. Terms of Payment and Delivery, Packaging, Delivery Note, Proof of Origin.

- 6.1. Delivery Condition
DAP (Delivered at Place) according to Incoterms 2010, ICC. The GAUDLITZ location at Callenberger Strasse 42, 96450 Coburg, Germany, is the fixed place of destination. If the terms of delivery specify that GAUDLITZ shall cover the transport costs, then the transportation shall be carried out by a delivery company named by GAUDLITZ.
- 6.2. Packaging:
The SUPPLIER shall be responsible for the proper packaging of the PRODUCTS. In particular, the SUPPLIER shall ensure that only materials which are new and in accordance with legal requirements are used. When doing so, the SUPPLIER shall take GAUDLITZ's possible wishes or requirements into account. Several articles belonging to a single shipment may be delivered in the one container but must, however, be packed and identified separately.
- 6.3. Terms of payment:
14 days 3 %, 60 days net.
The payment period shall commence on receipt of the PRODUCTS and invoice in the incoming goods department at GAUDLITZ.
- 6.4. Dispatch Note
All deliveries must have an accompanying dispatch note. The dispatch note shall be in an envelope and safely placed on the outside of the package. The SUPPLIER shall make sure that the following information is given in its entirety: Delivery address, order number, order date and, if listed in the GAUDLITZ order description, GAUDLITZ material number, type number or project number.
- 6.5. Proof of origin
When required to do so, the SUPPLIER shall present GAUDLITZ with proof of the PRODUCT origin. If GAUDLITZ so wishes, the SUPPLIER shall also provide GAUDLITZ with a supplier's long-term declaration according to VO (EG) 1207/2001

7. Invoicing

- 7.1. The SUPPLIER shall send invoices only after PRODUCTS have been delivered in accordance with the contract. The invoices must clearly refer to the order number and position as well as a code number if this was given by GAUDLITZ.

- 7.2. The SUPPLIER is obliged, to provide a proper invoice in line with Article § 14 of the Turnover Tax law.
- 7.3. The SUPPLIER will send the invoice in its original form to the following address: GAUDLITZ GmbH, Callenberger Strasse 42, 96450 Coburg, Germany.

8. Deliveries, Delivery period, delayed delivery.

- 8.1. The dates of receipt / dates of successful performance agreed on shall be binding and must be adhered to. Partial deliveries or performance shall only be permissible with GAUDLITZ's consent.
- 8.2. In his offers for the respective PRODUCTS, the SUPPLIER shall state standard delivery times and these shall be binding. In the case of alterations to these standard delivery times in individual cases or generally-speaking the SCM department at Gaudlitz shall be notified immediately about this alteration.
- 8.3. As soon as the SUPPLIER knows that the delivery of the PRODUCTS in accordance with the contract is endangered, he shall inform GAUDLITZ of this immediately and offer all necessary measures to find and carry out alternative solutions.
- 8.4. If the SUPPLIER is more than ten (10) working days late delivering the PRODUCTS, GAUDLITZ shall be entitled to reduce the payment amounts for the late deliveries by 5 per cent (5%).
- 8.5. GAUDLITZ expressly reserves the right to the assertion of further claims for damages. In the event of such an assertion of rights, the amounts paid in accordance with paragraphs 8.4. to 8.6 shall be taken into account in a possible compensation claim.
- 8.6. If the SUPPLIER does not deliver the PRODUCT by the appointed date, and an appropriate later date has expired without positive results, GAUDLITZ shall be entitled to rescind the contract and to claim damages for non-performance or compensation for expenses incurred in vain. GAUDLITZ shall have the right to rescind the contract and claim damages due to non-performance or may seek compensation for expenses incurred in vain if the delivery is unacceptable for GAUDLITZ.
- 8.7. The SUPPLIER is prepared, in individual cases, to carry out a cancellation of - or alteration to - the PRODUCTS, prior to delivery, if GAUDLITZ so desires. The SUPPLIER can only claim the proven costs of such a cancellation , alteration or postponement. In so far as it is possible and acceptable, the SUPPLIER shall do everything possible to keep the costs in such cases as low as possible.
- 8.8. Storage
The SUPPLIER is obliged, to keep specific emergency stocks of finished products available. The respective amount of products to be kept available shall be set down in product-specific special arrangements (e.g. orders).

9. Claim for defects

- 9.1. Liability for defects; participation in troubleshooting
The SUPPLIER guarantees that the PRODUCTS:
 - a) meet the requirements of the SPECIFICATION
 - b) are free from any other defects and faults which nullify or reduce the value or suitability of the PRODUCT for the customary or contractually-stipulated use.
 - c) shall correspond to the state and / or the recognised rules of technology as well as the statutory and official provisions applicable
 - d) are not tainted by legal defects and
 - e) the SUPPLIER has properly carried out the agreed inspection processes.
- 9.2. Warranty period
The warranty period shall be at the longest 72 months after the delivery/handover of the PRODUCT. If there are legal requirements or longer agreed warranty periods these are mandatory

9.3. Quality Inspections

- 9.3.1. At GAUDLITZ's behest, the SUPPLIER shall deliver, free of charge, clearly-marked initial samples of the PRODUCT with a test report. The initial samples shall be produced from a series point of view and using series production tools.
- 9.3.2. Prior to the delivery of the products, the SUPPLIER shall ascertain by means of suitable measures that the PRODUCTS meet the requirements according to paragraph 9.1. The SUPPLIER shall document the results of the relevant quality inspections and make them available to GAUDLITZ if desired.
- 9.3.3. The inspection at the SUPPLIER's premises serves the purpose of making the technical incoming product inspection at GAUDLITZ superfluous. Once the contract items have arrived, shall the GAUDLITZ before only be obliged to check
- a) if these goods correspond to the amount and type of goods ordered and
 - b) if any externally noticeable transport damages or other clearly noticeable flaws are present.
- An individual technical assessment is not carried out.

- 9.3.4 In the context of the process-controlled quality assurance measures carried out at the SUPPLIER's, the SUPPLIER foregoes in this respect on the further legal requirements at the incoming product department at GAUDLITZ. GAUDLITZ shall have no other obligations to the SUPPLIER apart from the aforementioned inspection and notification duties. In particular this shall apply for the examination and notification duties as per Article § 377 HGB regarding apparent defects which can be fulfilled within 2 weeks of receipt of the PRODUCTS.

9.4. Notification of defects

In the case of defects, GAUDLITZ is obliged to notify the SUPPLIER in written form as quickly as possible after the date of receipt. In the case of defects which cannot be determined on receipt, GAUDLITZ is obliged to notify the supplier as fast as possible once it has been determined.

9.5. Rectification of defects / return of goods.

- 9.5.1. GAUDLITZ can choose to either have the defect rectified or demand a replacement delivery of the product in perfect condition.
- 9.5.2. Goods shall be returned at the SUPPLIER's cost and risk.
- 9.5.3. If the repair measures taken to remedy the defects do not take place within a reasonable period of time or are done in an unacceptable manner from GAUDLITZ's point of view, or if the SUPPLIER refuses to meet his obligations, GAUDLITZ shall, at the SUPPLIER'S expense, be entitled to either
- a) remedy the defect or get a third party to remedy the defect or
 - b) demand a reduction in the purchasing price of the flawed PRODUCT or
 - c) demand, that the order in question be completely or partially rescinded.

In all respects the statutory provisions regarding claims for defects shall apply.

9.6. Product liability / consequential defect damages

If a third party suffers a physical injury or damage to property as a result of a PRODUCT defect, and if GAUDLITZ is therefore taken to court on the basis of German or foreign law, the SUPPLIER is obliged to release GAUDLITZ from all justified claims. If GAUDLITZ is partly to blame, the right of recourse is limited to the SUPPLIERS share of liability.

In this context the SUPPLIER is also obliged to refund any expenditure which results within the context of a recall or other product defect repair or preventive measures that GAUDLITZ carries out.

The same legal effects are valid if any other performance standard is not adhered to (e.g. with regard to the service life span of a product).

9.7. Business and product liability insurance

For the duration of this agreement the SUPPLIER is obliged to take out insurance of an appropriate amount (at least 3 million Euro) for each claim for damages, with which he covers himself against all risks he has undertaken e.g. business and product liability insurance, recall cost insurance, transport insurance. At GAUDLITZ's request, the SUPPLIER shall prove that this insurance has been taken out by presenting the appropriate certificate of insurance.

10. Alteration management, Alterations

10.1. In so far as any proposed alterations by the SUPPLIER effect agreed or standard characteristics (Specifications, Safety, Function, Conformity), these shall require GAUDLITZ's agreement in writing in all cases. In the case of other alterations the following shall apply:

The SUPPLIER shall inform GAUDLITZ regarding every intended alteration to

- the PRODUCT or
- the process for the manufacture of the PRODUCT or the quality assurance of the PRODUCT
- the production environment of the PRODUCT

The SUPPLIER shall also inform GAUDLITZ about the expected impact of the alteration in particular if this affects the safety, the function or the conformity of the product.

This information shall be passed on in good time before the alteration is put into practice so that it may still be decided not to carry out the alteration without any considerable economic consequences.

- 10.2. The SUPPLIER shall come to the arrangements with his subcontractors that are necessary to ensure he meets his obligations regarding this article.
- 10.3. The SUPPLIER can come to an agreement with GAUDLITZ regarding a special release. The procedure described in 10.1 shall be deemed valid. If the goods are accepted on the basis of a special release, then the special release is only valid for the corresponding delivery lot.

11. Long-term availability of PRODUCTS and SPARE PARTS

- 11.1. Should the SUPPLIER foresee that the delivery of PRODUCTS is objectively impossible (e.g. because necessary input material is not available on the market and cannot be acquired or manufactured elsewhere), he shall immediately inform GAUDLITZ of this thus enabling a residual order to take place. In this case article 10.1 shall apply.
- 11.2. The SUPPLIER pledges that spare parts shall be available to GAUDLITZ for 8 years after the product is no longer being produced.

12. Price Management

12.1. Pricing

All prices are in Euro (€) plus the legal turnover tax which is valid at the time of the service performed. These shall be determined in the order documentation. The delivery prices cover all main and secondary services rendered by the SUPPLIER within this FRAMEWORK AGREEMENT and the costs accrued by the supplier.

12.2. Price Agreements

- 12.2.1 The duration of the price agreement shall be individually arranged between the SUPPLIER and GAUDLITZ. The price agreement cannot be cancelled prematurely by one of the parties.
- 12.2.2 In general, price alterations must be negotiated with GAUDLITZ before they come into effect. Until such time as a new price has been agreed on, the old price shall continue to be valid.
- 12.2.3 The best price and terms of payment that have been agreed with GAUDLITZ in each case shall be generally valid for all GAUDLITZ locations.

13. Miscellaneous

13.1. Sales using the GAUDLITZ Brand / Logo

GAUDLITZ reserves the right to distribute the PRODUCTS supplied by the SUPPLIER under its own brand or other brands.

13.2. Audit

At appropriate intervals the SUPPLIER shall enable the customer to make sure that the quality assurance measures are being properly carried out. For this purpose, on a prearranged date and to an appropriate extent, the SUPPLIER shall allow the customer access to his premises and during this visit he shall provide a properly qualified employee to assist in the process. During this visit access will be granted to

All quality assurance measures and organizational units

The documentation regarding Quality Assurance activities.

Access to production procedures that need to be kept secret and other trade secrets can be declined.

13.3 Non-assignment clause

The SUPPLIER may not transfer, either completely or partially, any rights in this contract without our express written permission. Pecuniary claims are excluded in so far as no bank account relationship exists.

13.4. Retention of Title

13.4.1. Drawings, models, printing plates, tools and samples as well as other documents, which have to be given to the SUPPLIER remain the property of GAUDLITZ and may be used only for the manufacture of PRODUCTS ordered by GAUDLITZ and no third parties must be allowed access to them.

13.4.2 Provision:

If we have provided material for processing purposes ownership remains with GAUDLITZ. Processing or restructuring shall be carried out for us by the SUPPLIER.

If our retained product is processed with other goods that do not belong to us, we shall procure the joint ownership on the basis of the ratio of the worth of our item and the other processed articles at the time the processing took place; the same applies to a blending or mixture.

If a mixture occurs in a way that the SUPPLIER'S article is to be seen as the main article, it is agreed that the SUPPLIER transfers joint ownership proportionally speaking. The SUPPLIER shall store our property or joint property in safe keeping.

13.5. Documentation

All quality-relevant documents shall be stored by the SUPPLIER for a period of 15 years and destroyed only after consulting with GAUDLITZ.

14. Infringement of property rights; Exemption

14.1. Patents and property rights

The SUPPLIER shall ensure that no rights, especially no patents or third-party property rights, shall be infringed by supplying the PRODUCT, by the usage of it and, in particular, by the sale of the PRODUCT. The SUPPLIER is obliged to inform GAUDLITZ immediately if relevant third-party rights are or become known to him, and to tell GAUDLITZ about infringement risks he knows of, or that become known to him, or about alleged infringements.

14.2. Liability and exemption

The SUPPLIER shall be liable for claims which result during the use of the PRODUCT or as a result of an infringement of property rights or property right registration. The SUPPLIER shall indemnify GAUDLITZ against all claims arising out of the use of such property rights and is obliged to pay all costs that arise in this context including the possible costs of license fees provided that the SUPPLIER is responsible for the infringement.

15. Duration of Contract, Notice of cancellation

15.1. This FRAMEWORK AGREEMENT shall come into force once it has been signed by both partners and is valid for an unlimited period. It may be cancelled in writing at the end of any given month, though this may only take place from the 31.12.2016 on and with a period of notice of 12 months (two years).

15.2. The right of both parties to extraordinary termination of this contract remains unaffected. GAUDLITZ can terminate this framework agreement with immediate effect if the SUPPLIER becomes insolvent or if insolvency proceedings are started against him or if the initiation of insolvency proceedings is rejected due to a lack of assets or if the SUPPLIER repeatedly fails to fulfill his main contractual obligations.

15.3. After this FRAMEWORK AGREEMENT has expired the following contract partner arrangements and/or obligations are still valid:

The non-disclosure obligations according to the appendix of the FRAMEWORK AGREEMENT.

Obligations which arise during the period of duration of the FRAMEWORK AGREEMENT until such time as they have been completely carried out (e.g. Payment of claims, warranty claims and other defects claims, infringement of protective rights, spare parts agreements)

Obligations resulting from other applicable appendices.

16. Final Provisions

16.1. Severability

If individual terms of this FRAMEWORK AGREEMENT become completely or partially ineffective then the legal effect of the rest of the FRAMEWORK AGREEMENT shall not be effected. The partners in this contract will work together towards finding an arrangement that will correspond as closely in economic terms as is legally possible.

16.2. Written form provision

All agreements reached between GAUDLITZ and the SUPPLIER regarding the subject of the contract have been set out in this FRAMEWORK AGREEMENT and its appendices. Verbal subsidiary agreements do not exist. Alterations and supplements to this FRAMEWORK AGREEMENTES shall not be valid unless done in writing. This requirement can only be waived in writing.

16.3. Applicable law and place of jurisdiction

16.3.1. All legal relationships between the SUPPLIER and GAUDLITZ are governed by German law, even if the SUPPLIER's company is located outside of Germany, excluding the United Nations Convention on Contracts for the International Sale of Goods and the international conflict of laws. This translation is provided as a customer service. In case of dispute, the original German-language version of this document shall prevail.

16.3.2. Coburg is the place of jurisdiction.

17. Appendices to this FRAMEWORK AGREEMENT

The appendices Non-disclosure Agreement, Suppliers' Code of Conduct, Purchasing Conditions and where applicable the Quality Assurance agreement are a binding part of this FRAMEWORK AGREEMENT. These appendices are also accessible on the Homepage at www.gaudlitz.de

Coburg, the

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SUPPLIER

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