



## 1. General Terms and Conditions of Purchase

- 1-1 This terms and conditions apply to all orders or purchase of goods (the Goods) by Ipsen Co., Ltd. (Buyer) from the named on the respective purchase order (Supplier) and shall be binding on both parties.
- 1-2 This purchase order and terms and conditions are effective as individual contract and may only be modified by Buyer in writing. In the event of any conflict between these terms and conditions and the text of the purchase order which is written by the Buyer on the face of this purchase order, the text of the purchase order which is written by Buyer shall prevail. Buyer shall not be bound by any contradictory terms and conditions or deviating from related law or by any other terms and conditions which is not approve by Buyer in writing. Even if Buyer perceives unfavorable or contradicting terms and conditions submitted by Supplier and accepts the Goods unconditionally, these terms and conditions shall apply. Any acceptance of this purchase order is limited to acceptance of written terms and condition on the surface of the purchase order and these terms and conditions of purchase.

## 2. Orders

- 2-1 Order shall only be valid for issued by Buyer in writing or confirmed by Buyer in writing. Any oral order or orders through phones as well as different purchase order procedures must be confirmed by Buyer in writing.
- 2-2 Buyer shall have the right to change drawings, design, specifications, material, packaging, delivery time and place by means of written notice if Buyer had reasonable reasons. If any changes occur increase / decrease the contracted amount, or additional time is required, this contract shall be modified in writing based on fairly manner.
- 2-3 Buyer reserve the right to cancel the Contract or any part hereof, upon written notice to Supplier. In the event of such cancellation, Supplier shall cease all work hereunder immediately as well as Contractor of Supplier and sub supplier shall stop all related work. Buyer will reimburse Supplier for reasonable costs, including a proportionate profit resulting directly from any such cancellation. Supplier shall not be paid for any work and arranged materials after receiving cancellation notice, nor for any costs incurred by Supplier's subcontractors or suppliers which Supplier could reasonably have avoided. Supplier shall not unreasonable start before receiving order which is written by Buyer.
- 2-4 Buyer may also cancel the Contract or any part hereof for cause in the event of any defective material which are caused by Supplier, delay of delivery, and any defective material which is occurred by transportation.

## 3. Prices

- 3-1 The agreed price between Supplier and Buyer shall be fixed and binding. The price shall be included respective consumption tax, transportation cost to the designated place with packaging cost.
- 3-2 Supplier shall bear all costs incurred for transport and insurance until the delivery of the Goods to designated place, including unloading the Goods unless agreed otherwise.

## 4. Assignment and Subcontractors

- 4-1 Supplier may not assign or pledge its rights or obligation under the Contract without the prior written approval of Buyer.
- 4-2 Even if sub supplier is in charge of design, manufacture, and transport instead of Supplier, Supplier shall not relieve the Supplier's obligation under the Contract.

## 5. Delivery

- 5-1 Partial and early deliveries are only allowed the extent agreed in advance in writing between Buyer and Supplier and shall be marked by Supplier. Buyer entitles the right to refuse excess or short deliveries.
- 5-2 If Supplier gets information about delay of delivery or faces actual delay, Supplier shall inform Buyer of the information in writing in every case. If Buyer requires that the Goods be sent by express service due to Supplier's fault, any additional cost incurred by Buyer should be bore by Supplier. In the event of early deliveries unless otherwise agreed upon – payment will be conducted based on initial delivery time which is written in the purchase order.
- 5-3 Unless otherwise agreed upon in advance and in writing, delivery of all orders shall be carried out EXW, FCA or FOB according to Incoterms 2010. Title and risk of loss will pass to Buyer when the Goods is delivered and unloaded at Buyer's site.
- 5-4 Even if no disadvantage of legal or contractual, and after receiving the Goods Buyer ordered, Buyer may impose contractual penalty for delay in delivery on Supplier, an amount of 1% of the net price of the Goods for each week of delay, however, no more than 5% of the net price of the contract amount. Buyer may assert the contractual penalty also if Supplier does not inform Buyer of the realistic delivery time when Supplier agrees with delivery time Buyer requested. However, even if Buyer entitle Supplier to impose a penalty, Buyer will not enforce the right after final payment. Actual penalty shall be calculated based on minimum damage Buyer incurred. Buyer shall not agree with later payment.
- 5-5 Force majeure, strikes, operational breakdowns or other hindrances that are beyond the control of Buyer will discharge Buyer from its obligation to take delivery or accept the Goods for the time they occur and allow Buyer to reschedule delivery dates. In the event of inevitable delay or change due to Buyer's manufacturing schedule, Buyer will also avoid obligation to take delivery or accept the Goods. In case of the delay, Seller shall storage the Goods until Buyer is ready to accept the Goods.



## 6. Invoice and Payment

- 6-1 Invoices are to be sent to the attention of IPSEN at the address indicated on the face of this purchase order unless agreed otherwise. Improper invoice shall be corrected by Supplier and Supplier shall resend corrected invoice to Buyer. When Buyer receives corrected invoice, the received date is official receipt of invoice.
- 6-2 All prices shall be calculated based on EXW, FCA or FOB of Incoterms 2010. Also, invoice value shall take place in accordance with the quantity and weight of the Goods or service Buyer accepted. No payment will be made for any quantity / weight of the Goods that exceed the maximum quantity or weight purchase order indicated, unless the exceeding part has been approved by Buyer.
- 6-3 Regarding All credits which shall pay for Buyer from Supplier or other credit arising from other business between Buyer and Supplier, how to deal with it shall be decided by Buyer even if any counterclaim arises, deduction or offset shall be decided by Buyer.
- 6-4 If Supplier becomes unable to pay or if insolvency proceeding has been instituted or the institution has been rejected for lack or mass or another substantial impairment of the financial statuses of the Supplier occurs, Buyer has the right to deduct the contracted amount without taking any responsibilities for any consequences result.

## 7. Inspection and Acceptance

- 7-1 Buyer shall have the right to inspect and accept the Goods at the Supplier's site during regular business hours after proper preparation period. Any such inspection does not relieve Supplier of its warranty obligations. The Supplier shall conduct continuous quality testing and shall establish and maintain procedures to ensure a high-quality standard in all Goods sold to Buyer. For the test, the Supplier shall provide Buyer with free and safety access to their facility.
- 7-2 Upon deliver at Buyer's site, Buyer shall conduct a final acceptance test to verify whether the Goods can meet Buyer's quality standard both parties agreed at the ordering time. If Buyer find defects, deficiencies, noncompliance with the Contract and / or damages occurring during transit, Buyer may refuse the Goods. Upon request, the Supplier shall submit control and test reports to Buyer. When Buyer receives the Goods, Buyer may only inspect its type, quantities, obvious damage during transportation and other visible defects. Buyer is not obliged to perform any further inspection. Afterward, defects without announcing to Buyer shall report to Buyer without excessive delay and Buyer has the right to refuse these defects.

## 8. Documentary Evidence of Origin, Proofs for Turnover Tax Purposes, Export Restrictions

- 8-1 Supplier shall provide all documentary certificates of origin and the related document (e.g. certificates of origin, certificates of manufacturer, transportation certification, examination result certificate etc.) with authorized signature.

## 9. Delivery time, Delays

- 9-1 Delivery time is one of the most essential part in the Contract and the delivery time which is written on the purchase order shall be binding.
- 9-2 In the event of default of promised delivery, Buyer shall be entitled to all available legal claims and remedies including without limitation, the right to claim damages for Supplier's non-performance and to cancel the Contract and obtain replacement Goods from a third party at Supplier's cost.

## 10. Quality and Warranty

- 10-1 Supplier shall warrant proper deliver of the Goods which use the most suitable material and meet the Buyer's requirement. Supplier shall also warrant proper performance in accordance with any drawings and specifications agreed upon between the parties as well as faultless assembly, appropriate specifications and proper assembly. Additionally, Supplier shall warrant that the Goods do not infringe any intellectual property rights.
- 10-2 Supplier shall warranty that the Goods meet the state-of-the-art technology and safety standard also comply with all applicable laws, regulations, indications, and standard, including but not limited to those concerning labor, health and environmental maintenance, fire protection.
- 10-3 Supplier guarantees to Buyer that the quality of the Goods shall be the highest level. Supplier shall notify Buyer about any improvement and retrofit of technical terms.
- 10-4 The warranty period for all Goods purchased from Supplier shall be 24months from the delivery to Buyer's customers, but in no case longer than 36 months from the delivery time the risk of loss or damage is transferred to Buyer. During the warranty period, Supplier will fix the Goods or replace defective things with proper items free of charge at Buyer's discretion at the location of defective items. Any costs and expenses incurred in connection with remedying the defect e.g. assembling and disassembling costs, travel expenses and carriage, will be bore by the Supplier.
- 10-5 If a delay would bring with risks or particular urgent requests, Buyer shall be entitled to repair any defects and to claim compensation for expenses at the Suppliers cost and without prejudice to the Supplier's liability for defects. In this case, Supplier shall notify Buyer about the defect before repairing the defect in the reasonably possible Supplier's scope. In addition to other case, in order to avoid stopping operation due to additional cost, required special urgent action shall also be considered.
- 10-6 The limitation of period for claims based on defects shall be 3 years following the delivery of the Goods. In the event that a longer limitation period is legally required, this longer period shall be applied. A complaint conducted by Buyer within the limitation period postpones the deadline until both parties have reached agreement on repair or replace of defects Goods and the consequent results. However, the extended period will be terminated after 6 months the Supplier has finally rejected the complaint of the Buyer.



## 11. Subcontractors, Insurance

- 11-1 Supplier and/or independent / or subcontractor, if applicable, they shall maintain all necessary insurance coverage, including public, Goods and vehicle liabilities and employee's compensation insurance. Regarding the insurance contract for legal liabilities, the minimum and maximum amount shall be 2(two) million EUR and 5(five) million EUR for each incident, respectively. Regarding compensation insurance for employees, it shall be included required by applicable law. Supplier shall upon request provide Buyer with certification which is evidencing such insurance coverage.
- 11-2 Supplier shall accept all compensation claims under the mentioned above insurances for Buyer.

## 12. Indemnification, Limitation of Liability

- 12-1 Supplier shall indemnify, defend and hold harmless Buyer, against any legal actions or procedures in common law or equity (including costs of reasonable lawyer's incurred by relation with the defense of any such matter) and any claims, losses, damages, judgements, obligations, liabilities and expenses arising out of resulting in any way from any defects in the Goods purchased hereunder or any related services or work to be performed , or from any acts or omissions of Supplier, its agents, employees or subcontractors. If Supplier fails to fulfill any of its obligations under this paragraph or this Contract, Supplier agrees to pay Buyer all costs, expenses and attorney's fees incurred by Buyer to establish or enforce Buyer's right under this paragraph or this Contract. This indemnification shall be in addition to the warranty obligations of Supplier.
- 12-2 Regardless of being given notice of possibility about arising damage, Buyer shall not take any responsible for expected or loss profits, or for indirect, incidental or consequential damages. This restriction of the liability shall not be applied unless it is regulated in law by force.

## 13. Title, Drawings, Execution Documents, Tools

- 13-1. If the Buyer deposits any item on the Supplier's site, the Buyer shall remain the property right of such item. Any processing or retooling work by the Supplier will be done for the Buyer. If the Buyer's Goods needs to be worked with other Goods which are not Buyer's property at the time of processing, the Buyer shall acquire co-ownership of the worked Goods in proportion to the increased value of its Goods (purchase price with VAT).
- 13-2. If the Goods, which is possessed by the Buyer, are integrated with the Goods which is not Buyer's property, the Buyer shall acquire co-ownership of the integrated Goods in proportion to the increased value of its Goods (purchase price with VAT)
- 13-3. Buyer can retain the ownership of all tools and other production procedures or parts that Supplier left for repair. Supplier shall take an insurance the Good above against fire, water, damage, and theft. Based on the condition of the insurance, Supplier shall give Buyer authority to pursue all compensation claims. Supplier shall be obliged to exclusively use the tools as well as other production procedures for the Goods ordered by Buyer. Supplier shall conduct all necessary maintenance, inspection, repair at Supplier's own costs on time. Supplier shall inform Buyer immediately of any defects in the repair or maintenance of Buyer's tools. All Buyer's tools, parts, drawings and other properties shall be taken over to Buyer from Supplier in good condition if requested. Supplier shall have no lien on such tools, drawings or materials either for any such payable under this Order or for any other monies or obligations.
- 13-4. All technical information, drawings, designs and other data, commercial know-how, specifications, inventions, processes or other information which are supplied by the Buyer are confidential information and Buyer's assets. Such information is disclosed to Supplier for only purchase purpose will not, without the prior consent of Buyer, be disclosed to any third party. Supplier undertakes to use such information above no less than the degree of care and means that it uses to protect its own confidential information, but in any even not less than reasonable care, to maintain the confidentiality of Buyer's information, which obligation extends to Supplier's employees, agents or permitted sub-contractors. Supplier shall be responsible to Buyer for any failure by any employees, agents, or sub-contractors to comply with such obligations regardless of such employee, agents, or sub-contractor was aware of such obligations. The obligation of confidentiality shall survive until the knowledge and / or information contained in Buyer's information becomes generally known to the public through no fault of Supplier. Upon Buyer's request, all given documents and information shall be returned.
- 13-5. Supplier will not, without the prior written consent of Buyer, advertise, publicity announce or provide to any other person information relating to the existence or details of the Order or use the Buyer's name in any format for any promotion, publicity, marketing or advertising purpose.

## 14. Industrial Property Rights

- 14-1. Supplier warrants that no rights of any third party, including but not limited to intellectual property rights, will be violated by the Supplier's design, manufacture or delivery of the Goods.
- 14-2. In the event that any third-party asserts any claim of infringement (including patent, trademark, copyright, misuse or misappropriation of trade secret) arising out of the purchase, sale or use of the Goods covered by this order whether such Goods were provided alone or in combination with other products, software or processes, Supplier shall be obliged to indemnify Buyer against these claims.
- 14-3. Supplier's indemnity obligation includes all expenditures which the Buyer incurs (including but not limit to attorney's fee), as part of or in connection with any actions brought by a third party.
- 14-4. Buyer retains all properties, utility models, registered designs, patents and brand rights, copyrights and all personality and other protection rights, in particular to the Buyer's pictures, drawings and other documents, designs design proposals, templates, workshop documents, forms, copyrights as well as to the know-how and the calculations.
- 14-5. Supplier has obligation to provide spare parts for 7 years since the Goods is delivered. Buyer entitle to the right to decide the time to place a last order with Supplier.



**15. Confidentially**

- 15-1. Supplier shall consider all information provided by Buyer (hereinafter referred to as “information”) to be confidential and shall not disclose any such information to any other person or use such information itself for any purpose other than performing this agreement, unless Supplier obtains written permission from Buyer to do so. Information shall include without limitation, any customer, potential and price lists, plans, photographs, designs, component designs, drawings, blueprints, specifications, inventions, technical data, trade secrets, and any other Material relating to this order or to the business of property of Buyer. All Buyer information is and shall remain the property of Buyer. The obligation to maintain the confidentiality of the information shall not apply if the information was; (i) in Supplier’s possession, free of any obligation of confidence, at the time of its communication to Supplier; (ii) publicly known at the time of its communication to Supplier or (iii) becomes publicly know or if the information is legitimately made public by third parties, through no fault of Supplier. The burden of proof for these circumstances shall be with Supplier.
- 15-2. In the event that Supplier will use no less than the degree of care and means that is uses to protect its own confidential information of like kind, but in any event not less than reasonable care to prevent the unauthorized disclosure or use of Buyer’s information.
- 15-3. Unless otherwise agreed in writing, no commercial, financial, or technical information disclosed in any manner or at any time by Supplier to Buyer shall be deemed secret or confidential and Supplier shall have no rights against Buyer with respect thereto except such rights as may exist under patent laws.

**16. Storage, Place of Performance, Partial Invalidity, Jurisdiction and Applicable Law**

- 16-1. Buyer can store data of Supplier according to “Amended Act on the Protection of Personal Information”, which effective on 30 May 2017.
- 16-2. Unless otherwise specified in the purchase order, the place of performance for deliveries and services as well as for payment shall be the registered office of Buyer.
- 16-3. If any provision of the Contract shall be deemed to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.
- 16-4. If the parties to the contract are businesspeople as defined by Japanese Commercial Code, the place of jurisdiction with respect to any legal disputes; Buyer shall, however, at Buyer’s option, be entitled to proceed against Supplier at its general place of jurisdiction.
- 16-5. All legal relationships between the Buyer and the Supplier shall be exclusively governed by the laws of Japan, applicable for the legal relationships between national parties; the United Nations Convention on Contracts for the International Sales of Goods shall be excluded.
- 16-6. The venue for all legal disputes arising either directly or indirectly out of contractual relationships based on these Terms and Conditions of Purchase shall be Osaka, Japan. The Osaka District Court (2-1-10 Nishi Tenma, Kita, Osaka Japan) has jurisdiction and venue over cases brought before the Local court. We further have the right to take legal action against Supplier at a court with jurisdiction over the registered office or branch office of the supplier or at the court with jurisdiction over the place of performance at our discretion.