

## Philips General Conditions of Purchase

### 1. Definitions

In this document: **"Affiliate(s)"** means (i) in the case of Philips, Koninklijke Philips N.V. and (ii) in the case of Philips and Supplier: any and all other companies, firms and legal entities with respect to which now or hereafter Koninklijke Philips N.V. or Supplier respectively, directly or indirectly holds 50% or more of the nominal value of the issued share capital or 50% or more of the voting power at general meetings or has the power to appoint a majority of directors or otherwise to direct the activities of such company, firm or legal entity;

**"Agreement"** means the binding contract formed as described in Clause 2.1 herein;

**"APAC"** means the Middle Eastern, Asian and other Pacific countries;

**"Good Industry Practice"** means the exhibition of behavioral attributes, including but not limited to skill, care, prudence and precaution and the use of technology, techniques and methodologies that a leading professional supplier of similar **Goods** or **Services** would use;

**"Goods"** means both tangible and intangible goods, including software and related documentation and packaging;

**"Intellectual Property Rights"** (or "IPRs") means patents, utility certificates, utility models, industrial design rights, copyrights (including portrait rights and moral rights), database rights, trade secrets, any protection offered by law to information, semiconductor IC topography rights and all registrations, applications, renewals, extensions, combinations, divisions, continuations or reissues of any of the foregoing or which otherwise arises or is enforceable under the laws of any jurisdiction or any bi-lateral or multi-lateral treaty regime;

**"International Transactions Data"** means any data regarding cross border transactions of Philips (possibly including countries in respect of which the United Nations, European Union and/or the United States of America have issued export control and sanctions restrictions, as applicable);

**"LATAM"** means the Latin American

countries, excluding Argentina;

**"Personal Data"** means any and all information relating to an identified or identifiable individual, including but not limited to Philips current or former employees, employee family members, dependents or beneficiaries, customers, consumers, suppliers, business partners or contractors;

**"Philips"** means the purchasing Affiliate of Koninklijke Philips N.V. identified in Philips' order and where applicable includes other Affiliates of Philips;

**"Philips Information"** means all information in any form about, or pertaining to, the business or operations of Philips, its Affiliates, including but not limited to information on products, technology, IT operations, Intellectual Property Rights, know-how, financial information, customer data, Personal Data and data, results, data structures and documentation accessed by Supplier in performing the Agreement or generated by an IT system of Supplier used in the provision of the Services;

**"Processing"** means any operation or set of operations performed or to be performed upon Personal Data, whether or not by automatic means, such as creation, access, collection, recording, organization, storage, loading, employing, adaptation or alteration, retrieval, consultation, displaying, use, disclosure, dissemination or otherwise making available, alignment or combination, blocking, erasure or destruction (hereinafter also referred to as a verb "Process");

**"Open Source Software"** means (1) any software that requires as a condition of use, modification and/or distribution of such software, that such software: (i) be disclosed or distributed in source code form; (ii) be licensed for the purpose of making derivative works; (iii) may only be redistributed free from enforceable IPRs; and/or (2) any software that contains, is derived from, or statically or dynamically links to, any software specified under (1);

**"Services"** means the services to be performed by Supplier for Philips under the Agreement;

**"Supplier"** means each person or entity (including, where relevant, its Affiliates) that enters into the Agreement;

**“Work Product”** means all deliverables (including future deliverables) and other data, reports, works, inventions, know-how, software, improvements, designs, devices, apparatus, practices, processes, methods, drafts, prototypes, products and other work product or intermediate versions thereof produced or acquired by Supplier, its personnel or its agents for Philips in the performance of Services under the Agreement.

## **2. Formation of the Agreement**

2.1. These General Conditions of Purchase, together with the relevant Purchase Order issued by Philips, set forth the terms under which Philips’ offers to purchase Goods and/or Services from Supplier. When Supplier accepts Philips’ offer, either by acknowledgement, delivery of any Goods and/or commencement of performance of any Services, a binding contract shall be formed. Such Agreement is limited to these General Conditions of Purchase as specified herein, the relevant Purchase Order and any attachments. Philips does not agree to any proposed amendment, alteration, or addition by Supplier. The Agreement can be varied only in writing signed by Philips. Any other statement or writing of Supplier shall not alter, add to, or otherwise affect the Agreement.

2.2. Philips is not bound by and hereby expressly rejects Supplier’s general conditions of sale and any additional or different terms or provisions that may appear on any proposal, quotation, price list, acknowledgment, invoice, packing slip or the like used by Supplier. Course of performance, course of dealing, and usage of trade shall not be applied to modify these General Conditions of Purchase.

2.3. All costs incurred by Supplier in preparing and submitting any acceptance of Philips’ offer shall be for the account of Supplier.

## **3. Time of the Essence**

Time is of the essence and all dates referred to in the Agreement shall be firm. In the event that Supplier anticipates any difficulty in complying with any delivery date or any of its other obligations under the Agreement, Supplier shall promptly notify Philips in writing. Philips shall have the right to modify or cancel impacted Orders in the event of delivery delays.

## **4. Delivery of Goods**

4.1. Unless expressly agreed otherwise in writing, all Goods shall be delivered FCA (named port or place of departure) except that maritime transport shall be delivered FOB (named port of shipment) (as defined in the Incoterms 2010) final destination determined by Philips.

4.2. Delivery shall be completed as per the applicable Incoterm, but this shall not constitute acceptance of the Goods.

4.3. Supplier shall, concurrently with the delivery of the Goods, provide Philips with copies of all applicable licenses. Each delivery of Goods to Philips shall include a packing list which contains at least (i) the applicable order number, (ii) the Philips part number, (iii) the quantity shipped, and (iv) the date of shipment.

4.4. Supplier shall make no partial delivery or delivery before the agreed delivery date(s). Philips reserves the right to refuse delivery of Goods and return same at Supplier’s risk and expense if Supplier defaults in the manner and time of delivery or in the rate of shipment. Philips shall not be liable for any costs incurred by Supplier related to production, installation, assembly or any other work related to the Goods, prior to delivery in accordance with the Agreement.

4.5. Any design, manufacturing, installation or other work to be performed by or on behalf of Supplier under the Agreement shall be executed with good workmanship and using proper materials.

4.6. Supplier shall pack, mark and ship the Goods in accordance with sound commercial practices and Philips' specifications in such manner as to prevent damage during transport and to facilitate efficient unloading, handling and storage, and all Goods shall be clearly marked as destined for Philips. Notwithstanding the provisions of the applicable Incoterms, Supplier shall be responsible for any loss or damage due to its failure to properly preserve, package, handle (before delivery as per the applicable Incoterm) or pack the Goods; Philips shall not be required to assert any claims for such loss or damage against the common carrier involved.

## **5. Changes to Goods**

Supplier shall not, without prior written consent of Philips, make any changes affecting Goods, including process or design changes, changes to manufacturing processes (including geographic location) changes affecting electrical performance, mechanical form or fit, function, environmental compatibility, chemical characteristics, life, reliability or quality of Goods, or changes that could have significant impact upon Supplier's quality system.

## **6. Inspection, Testing, Rejection of Goods**

6.1. Inspection, testing of or payment for the Goods by Philips shall not constitute acceptance. Inspection or acceptance of or payment for the Goods by Philips shall not release Supplier from any of its obligations, representations or warranties under the Agreement.

6.2. Philips may, at any time, inspect the Goods or the manufacturing process for the Goods. If any inspection or test by Philips is made on the premises of Supplier, Supplier shall provide reasonable facilities and assistance for the safety and convenience of Philips' inspection personnel.

6.3. If Philips does not accept any of the Goods, Philips shall promptly notify Supplier of

such rejection, and Clause 11 below shall apply. Within two (2) weeks from such notification, Supplier shall collect the Goods from Philips at its own expense. If Supplier does not collect the Goods within said two (2) week period, Philips may have the Goods delivered to Supplier at Supplier's cost, or with the Supplier's prior consent destroy the Goods, without prejudice to any other right or remedy Philips may have under the Agreement or at law. Goods not accepted but already paid by Philips shall be reimbursed by Supplier to Philips and Philips shall have no payment obligation for any Good not accepted by Philips.

6.4. If, as a result of sampling inspection, any portion of a lot or shipment of like or similar items is found not to conform to the Agreement, Philips may reject and return the entire shipment or lot without further inspection or, at its option, complete inspection of all items in the shipment or lot, reject and return any or all nonconforming units (or accept them at a reduced price) and charge Supplier the cost of such inspection.

## **7. Performance of Services**

7.1. Supplier shall perform the Services with due skill and care, using the proper materials and employing sufficiently qualified staff.

7.2. Supplier shall be fully liable for the acts and omissions of any and all third parties with which it has contracted in connection with the Services.

7.3. Only written confirmation by Philips shall constitute acceptance of the Services performed. If Philips does not accept the Service and/or Work Product(s), Clause 11 below shall apply. Philips shall promptly notify Supplier of such rejection, and Supplier will, at its own expense, carry out the necessary corrections, additions and modifications reasonably requested by Philips in writing within thirty (30) days of such notification.

## 8. Prices; Payment

8.1. Unless provided otherwise in the Purchase Order, title in the Goods shall pass to Philips at the time risk is transferred to Philips pursuant to the applicable Incoterm.

8.2. All prices quoted in the Agreement shall be fixed prices. Supplier warrants that such prices are not in excess of the lowest prices charged by Supplier to other similarly situated customers for similar quantities of Goods or Services of like kind and quality.

8.3. (i) All prices are gross amounts but exclusive of any applicable value added tax (VAT), sales tax, GST, consumption tax or any other similar tax only. (ii) If the transactions as described in the Agreement are subject to any applicable VAT, sales tax, GST, consumption tax or any other similar tax, Supplier shall provide Philips with line item description of taxes charged such as applicable VAT, sales tax, GST, consumption tax or any other similar tax to Philips, which shall be paid by Philips in addition to the prices quoted. Supplier is responsible for paying any applicable VAT, sales tax, GST, consumption tax or any other similar tax to the appropriate (tax) authorities. At or after the time delivery has been completed as per Clause 4.2 but ultimately within six months from delivery, Supplier shall issue an invoice meeting all applicable legal and fiscal requirements and which shall contain: (i) the Philips purchase order number, and (ii) wording that shall allow Philips to take advantage of any applicable "input" tax deduction. In addition, Supplier shall inform Philips whether Philips is allowed to apply for an exemption if and to the extent allowed under applicable law in such specific situation. Philips shall not be responsible for any taxes based on Supplier's income, capital or any property used by Service Provider in the performance of the Services or provision of Goods. Any applicable withholding taxes shall be deducted from payments to Supplier and Philips shall remit same to the appropriate governmental authorities, unless Supplier provides Philips with appropriate documentation and/or

exemption certificates. Philips is not required to pay nor is it liable or responsible for, and Supplier agrees to indemnify and hold Philips harmless against, any penalty, additional taxes, costs or interest that may be assessed or levied resulting from failure of Supplier to file any return, form or information statement that may be required by any taxing authority.

8.4. Any license fees shall be included in the price.

8.5. Subject to the acceptance of the Goods, Services and/or Work Product by Philips, and unless provided otherwise in the Purchase Order, payment shall be made as follows: (a) if Supplier is located in EU, within sixty (60) days from end of month of receipt of the correct invoice; or (b) if Supplier is located in APAC or LATAM (except for Argentina), within ninety five (95) days from the end of the month of the receipt of the correct invoice in accordance with Clause 8.3 in the proper form; or (c) if Supplier is located in another part of the world (including Canada) or Argentina, within sixty five (65) days from the end of the month of the receipt of the correct invoice in accordance with Clause 8.3 in the proper form.

8.6. If Supplier fails to fulfill any of its obligations under the Agreement, Philips may suspend payment to Supplier upon notice to Supplier.

8.7. Supplier hereby unconditionally accepts that Philips and any of its Affiliates shall at all times have the right to set-off any amounts that any Philips Affiliate owes to Supplier or its Affiliates under this Agreement with any amounts that Supplier or its Affiliates owes to any Affiliate of Philips under the Agreement or any other agreement.

8.8. Supplier acknowledges and agrees that any amount to be paid by Philips to Supplier may be paid on Philips' behalf by another Affiliate of Philips and/or a third party designated by Philips. Supplier shall treat such payment as if it were made by Philips itself and

Philips' obligation to pay to Supplier shall automatically be satisfied and discharged in the amount paid by such entity or third party.

## 9. Warranty

9.1. Supplier represents and warrants to Philips that all Goods and/or Work Product(s):

- (a) are suitable for the intended purpose and shall be new, merchantable, of good quality and free from all defects in design, materials, construction and workmanship;
- (b) strictly comply with the specifications, approved samples and all other requirements under the Agreement;
- (c) are delivered with all required licenses which shall remain valid and in place, and with the scope to properly cover the intended use. Furthermore, all such licenses shall include the right to transfer and the right to grant sublicenses;
- (d) shall be free from any and all liens and encumbrances;
- (e) have been designed, manufactured and delivered in compliance with all applicable laws (including labour laws), regulations, EC Directive 2001/95 on General Product Safety and the then current Supplier Sustainability Declaration which can be found at: [http://www.philips.com/shared/assets/company\\_profile/downloads/EICC-Philips-Supplier-Sustainability-Declaration.pdf](http://www.philips.com/shared/assets/company_profile/downloads/EICC-Philips-Supplier-Sustainability-Declaration.pdf) ;
- (f) are provided with and accompanied by all information and instructions necessary for proper and safe use; including all its packaging and components supplied to Philips comply with the Regulated Substances List (RSL), which can be found at: <http://www.philips.com/shared/global/assets/Sustainability/rsl.pdf> or will be sent to Supplier upon its first written request. Supplier shall furnish to Philips any information required to enable Philips to comply with such laws, rules, and regulations in its use of

the Goods and Services. Supplier agrees that, upon request of Philips, it shall register and use BOMcheck ([www.bomcheck.net](http://www.bomcheck.net)) to make substance compliance declarations including ROHS, REACH and other applicable regulatory requirements by making declarations in BOMcheck to fully comply with the Philips RSL, unless otherwise agreed with Philips. Supplier will also adhere to future RSL changes following notification from BOMcheck or other non-registered correspondence and is and will be fully compliant with the updated Philips RSL within 3 months of receiving the notification, unless otherwise agreed with Philips. Philips may reject deliveries that do not comply with these requirements;

- (g) will be accompanied by written and detailed specifications of the composition and characteristics, to enable Philips to transport, store, process, use and dispose of such Goods and/or Work Product safely and in compliance with law; and
- (h) do not violate or infringe any third party domestic or foreign patent, copyright (including portrait rights and moral rights), trade secret, trademark or other intellectual property rights.

9.2. These warranties are not exhaustive and shall not be deemed to exclude any warranties set by law, Supplier's standard warranties or other rights or warranties which Philips may be entitled to. These warranties shall survive any delivery, inspection, acceptance, payment or resale of the Goods, and shall extend to Philips and its customers. Acceptance of, or payment for, all or any part of the Goods or Services furnished under the Agreement shall not be deemed to be a waiver of Philips' right to cancel or return or reject all or any part thereof because of failure to conform to order or by reason of defects, latent or patent, or other breach of warranties, or to make any claim for damages, including manufacturing costs and loss of

profits or other special damages incurred by Philips.

9.3. Without prejudice to any other rights accruing under the Agreement or law, the warranties set forth in Clause 9.1 will subsist for a period of thirty-six (36) months from the date of delivery as per Clause 4.2, or such other period as agreed in the Agreement (the "Warranty Term"). Goods repaired or replaced within the Warranty Term are warranted for the remainder of the original Warranty Term of said Goods, or twelve (12) months following the delivery date of such repaired or replaced Goods, whichever is longer.

## **10. Open Source Software Warranty**

Unless the inclusion of Open Source Software is specifically authorized in writing by duly authorized officers of Philips and unless otherwise stated in the Agreement, Supplier represents and warrants that the Goods do not include any portion of any Open Source Software.

## **11. Non-conformity**

11.1. If any Goods, Services or Work Products are defective, latent or otherwise do not conform to the requirements of the Agreement, Philips shall notify Supplier and may, without prejudice to any other right or remedy available to it under the Agreement or at law, at its sole discretion:

- (a) require performance by Supplier;
- (b) require delivery of substitute Goods or Work Products;
- (c) require Supplier to remedy the lack of conformity by repair;
- (d) declare the contract rescinded; or

reduce the price in the same proportion as the value of the Goods or Services actually delivered, even if that results in a full refund of the price paid to Supplier.

11.2. Supplier shall bear all cost of re-performance, repair, replacement and transportation of the nonconforming Goods or

Services, and shall reimburse Philips in respect of all costs and expenses (including, without limitation, inspection, handling and storage costs) reasonably incurred by Philips in connection therewith.

11.3. Risk in relation to the nonconforming Goods shall pass to Supplier upon the date of notification thereof.

## **12. Ownership and Intellectual Property**

12.1. All machinery, tools, drawings, specifications, raw materials and any other property or materials furnished to Supplier by or for Philips, or paid for by Philips, for use in the performance of the Agreement, shall be and remain the sole exclusive property of Philips and shall not be furnished to any third party without Philips' prior written consent, and all information with respect thereto shall be confidential and proprietary information of Philips. In addition, any and all of the foregoing shall be used solely for the purpose of fulfilling orders from Philips, shall be marked as owned by Philips, shall be held at Supplier's risk, shall be kept in good condition in safe storage and, if necessary, shall be replaced by Supplier at Supplier's expense, shall be subject to periodic inventory check by Supplier as reasonably requested from time to time by Philips, and shall be returned promptly upon Philips' first request. Except as otherwise expressly agreed in writing, Supplier agrees to furnish at its own expense all machinery, tools, and raw materials necessary to perform its obligations under the Agreement.

12.2. Supplier represents and warrants to Philips that the Goods and Services do not and shall not, alone or in any combination, infringe or violate any third party (including Supplier's employees and subcontractors) IPRs.

12.3. The purchase of the Goods and/or Services shall confer on Philips and its Affiliates an irrevocable, world-wide, royalty-free and fully paid up, non-exclusive and perpetual license under all IPRs owned or controlled, directly or indirectly, by Supplier to use, make, have made,

build-in, have built-in, market, sell, lease, license, distribute and/or otherwise dispose of the Goods and/or Services, including but not limited to machinery, tools, drawings, designs, software, demos, moulds, specifications or pieces.

12.4. Philips shall retain all rights in any samples, data, works, materials and intellectual and other property provided by Philips to Supplier. All rights in and titles to the Work Product shall become Philips' property. Supplier shall execute and deliver any documents and do such things as may be necessary or desirable in order to carry into effect the provisions of this Clause 12.4.

12.5. Supplier shall not have any right, title or interest in or to any of Philips' samples, data, works, materials, trademarks and intellectual and other property nor shall the supply of Goods and/or Services alone or in any combination, or the supply of packaging containing Philips' trademarks or trade names give Supplier any right or title to these or similar trademarks or trade names. Supplier shall not use any trademark, trade name or other indication in relation to the Goods or Services alone or in any combination without Philips' prior written approval and any use of any trademark, trade name or other indication as authorized by Philips shall be strictly in accordance with the instructions of and for the purposes specified by Philips.

12.6. Supplier shall not, without Philips' prior written consent, publicly make any reference to Philips, whether in press releases, advertisements, sales literature or otherwise.

### **13. Intellectual Property Indemnification**

13.1. Supplier shall indemnify and hold harmless Philips, its Affiliates, agents and employees and any person selling or using any of Philips' products in respect of any and all claims, damages, costs and expenses (including but not limited to loss of profit and reasonable attorneys' fees) in connection with any third

party claim that any of the Goods or Services alone or in any combination or their use infringes any third party IPRs, or, if so directed by Philips, shall defend any such claim at Supplier's own expense.

13.2. Philips shall give Supplier prompt written notice of any such claim, provided, however, any delay in notice shall not relieve Supplier of its obligations hereunder except to the extent it is prejudiced by such delay. Supplier shall provide all assistance in connection with any such claim as Philips may reasonably require.

13.3. If any Goods or Services alone or in any combination, supplied under the Agreement are held to constitute an infringement or if their use is enjoined, Supplier shall, as directed by Philips, but at its own expense: either

- (a) procure for Philips or customers the right to continue using the Goods or Services alone or in any combination; or
- (b) replace or modify the Goods or Services alone or in any combination with a functional, non-infringing equivalent.

13.4. If Supplier is unable either to procure for Philips the right to continue to use the Goods or Services alone or in any combination or to replace or modify the Goods or Services alone or in any combination in accordance with the above, Philips may terminate the Agreement and upon such termination, Supplier shall reimburse to Philips the price paid, without prejudice to Supplier's obligation to indemnify Philips as set forth herein.

### **14. Indemnification**

Supplier shall indemnify and hold harmless Philips, its Affiliates, agents and employees and anyone selling or using any of Philips' products, from and against all suits, actions, legal or administrative proceedings, claims, demands, damages, judgments, liabilities, interest, attorneys' fees, costs and expenses of whatsoever kind or nature (including but not limited to special, indirect, incidental,

consequential damages), whether arising before or after completion of the delivery of the Goods or performance of the Services covered by the Agreement, in any manner caused or claimed to be caused by the acts, omissions, faults, breach of express or implied warranty, breach of any of the provisions of this Agreement, or negligence of Supplier, or of anyone acting under its direction or control or on its behalf, in connection with Goods, Services or any other information furnished by Supplier to Philips under the Agreement.

### 15. Compliance with Laws

Supplier shall at all times comply with all laws, rules, regulations, and ordinances applicable to the Agreement, including, but not limited to, all fair labour, equal opportunity, and environmental compliance laws, rules, regulations, and ordinances. Supplier shall furnish to Philips any information required to enable Philips to comply with any applicable laws, rules, and regulations in its use of the Goods and Services. If Supplier is a person or legal entity doing business in Canada or the United States, and the Goods and/or Services are sold to Philips under municipal, provincial, federal contract or subcontract, all applicable procurement regulations required by applicable statute or regulation to be inserted in contracts or subcontracts are hereby incorporated by reference. Additionally, if Supplier is a person or legal entity doing business in the United States, the Equal Employment Opportunity Clauses set forth in 41 Code of Federal Regulations, Chapters 60-1.4, 60-250.5, and 60-741.5, are hereby incorporated by reference.

### 16. Personal Data

- 16.1. The definitions used in this Clause have the same meaning as in the EU General Data Protection Regulation 2016/679 ("GDPR").
- 16.2. For the purpose of or in connection with the Agreement, Supplier may Process Personal Data as an independent Controller or as a Processor.
- 16.3. Supplier shall not transfer Personal Data outside Canada, whether to Supplier's

Affiliates, Sub-Processors or otherwise, without Philips' prior written approval.

- 16.4. When acting as a Processor, Supplier shall:
  - (i) Process Personal Data only: (i) on behalf and for the benefit of Philips; (ii) in accordance with the instructions of Philips as documented in the Agreement; (iii) for the provision of the Goods or Services; and (iv) to the extent required by the applicable laws that Supplier is subject to;
  - (ii) not disclose Personal Data to any third party without the prior written approval of Philips, except where such disclosure is required to: (i) provide the Goods or Services; (ii) comply with a legal obligation; or (iii) comply with a valid and binding order of a governmental body or court; and in all cases, only to the minimum extent necessary to fulfil the purposes for which the disclosure is required.
  - (iii) ensure that its employees and any other person authorized to Process Personal Data: (i) are informed of the confidential nature of the Personal Data; (ii) have access to Personal Data only to the extent necessary to provide the Goods or Services; and (iii) have committed themselves to confidentiality or are under an appropriate statutory obligation of confidentiality;
  - (iv) maintain appropriate technical and organizational measures to safeguard security (including confidentiality, integrity of Personal Data and protection against unauthorized or unlawful Processing and Personal Data Breaches);
  - (v) notify Philips, without undue delay, if Supplier becomes aware of a Personal Data Breach. Such notification may be delivered to one or more of Philips' representatives via email. Supplier shall undertake reasonable efforts to identify the cause of a Personal Data Breach and take the necessary steps to remediate the cause of such Personal



- Data Breach;
- (vi) (taking into account the nature of the Processing) take reasonable steps to assist Philips with appropriate technical and organizational measures in the fulfilment of Philips' obligation to respond to requests from an Individual exercising its rights as set forth by the applicable laws;
  - (vii) make available to Philips all information necessary to demonstrate compliance with its obligations under applicable law. Furthermore, Supplier shall, upon request of Philips, make available the facilities it uses for the Processing of Personal Data for an audit by Philips or by a qualified independent third-party assessor mandated by Philips;
  - (viii) not make use of any Sub-Processors without the prior written approval of Philips. In any case, Supplier shall: (i) enter into a written agreement with each Sub-Processor containing data protection obligations no less protective than those in the Agreement; and (ii) subject to the terms of the Agreement, be liable for the acts and omissions of its Sub-Processors regarding the Processing of Personal Data to the same extent Supplier would be liable when performing the services of each Sub-Processor itself;
  - (ix) upon the termination of the Services related to the Processing, at the choice of Philips, delete or return all the Personal Data to Philips and delete existing copies;

The subject matter of the Processing of Personal Data is the provision of the Goods or Services.

The nature of the Processing of Personal Data may include: hosting and storage; computing; service change management; technical support/issue resolution and such other Services set forth in the relevant documentation made available by Supplier or otherwise agreed between the parties. The categories of Individuals whose Personal Data will be subject to Processing by Supplier include: any individuals whose Personal Data is provided to

Supplier by (or at the direction of) Philips, such as Philips' employees, consumers, end-users and other individuals. The categories of Personal Data may include any data relating to individuals, such as first and last name and contact information (email, phone, address). Subject to Clause 16.4.(ix), Supplier will Process Personal Data for the duration of the Agreement, unless otherwise agreed in writing.

16.5 Supplier will comply with all applicable Canadian provincial and Federal privacy laws and regulations ("Canadian Privacy Laws") in fulfilling its obligations hereunder. To the extent of any inconsistency between this Clause 16 and applicable Canadian Privacy Laws in respect of the treatment of Personal Data, the higher standard shall prevail.

16.6 Supplier accepts and confirms that it is solely liable for any unauthorized or illegal processing or loss of Personal Data in connection with this Agreement. Supplier shall indemnify and hold harmless Philips, its Affiliates, and their officers, agents and personnel from any damages, fines, losses and claims arising out of a breach of Clause 16.

## **17. Information Security**

17.1 Ownership of the Philips Information shall remain with Philips and its Affiliates. Supplier may use the Philips Information only for the performance of the Agreement and in accordance with Philips' instructions. Supplier shall clearly mark the Philips Information as property of Philips.

17.2 Supplier shall establish an information security management framework to initiate and control the implementation of security policies, standards and procedures within Supplier's organization in order to protect Philips Information and assets relevant to the Agreement (including any systems). Such framework shall be operated in accordance with Good Industry Practices and shall at a minimum

include protection against loss, deterioration, corruption, unauthorized alteration and unauthorized access. Supplier shall protect Philips Information and assets based on the principles of confidentiality, integrity and availability.

## **18. Export Controls Compliance**

18.1 Supplier agrees and warrants that it will comply with all applicable international and national export control laws and regulations and it will not export or re-export, directly or indirectly, any information, goods, software and/or technology to any country for which the European Union or the United States of America or any other country, at the time of export or re-export, requires an export license or other governmental approval, without first obtaining such license or approval.

18.2 Supplier acknowledges that any data or other information processed by Supplier in light of its engagement by Philips might be controlled information under export control laws and regulations and that it will not deal with said information in violation of such laws and regulations. Supplier shall ensure that: (a) International Transactions Data shall be stored on servers outside the United States of America ("US"); and (b) no Supplier personnel qualifying as a US person under applicable US law will have access to International Transactions Data.

18.3 Supplier agrees to inform Philips in writing whether or not the supplied information, goods, software, technology, hosted application and/or Services are Canada or US controlled and/or controlled under the export control laws of its own or another country, and if so, Supplier will inform Philips about the extent of the restrictions (including but not limited to export control legal jurisdiction, export control classification numbers, export control licenses and/or CCATS as applicable).

18.4 Supplier shall obtain all international and national export licenses or similar permits required under all applicable export control

laws and regulations and shall provide Philips with all information required to enable Philips and its customers to comply with such laws and regulations.

18.5 Supplier agrees to indemnify and hold Philips harmless from any claims, liabilities, penalties, forfeitures, and associated costs and expenses (including attorney's fees), which Philips may incur due to Supplier's non-compliance with applicable laws, rules and regulations. Supplier agrees to notify Philips promptly of Supplier's receipt of any such notice of a violation of any export control related law, rule or regulation, which may affect Philips.

## **19. Customs Compliance**

19.1 On an annual basis, or upon earlier request of Philips, Supplier shall provide Philips with a supplier declaration of origin in relation to the Goods sufficient to satisfy the requirements of (i) the customs authorities of the country of receipt, and (ii) any applicable export licensing regulations, including those of the United States. In particular, the declaration should explicitly mention whether the Goods, or part thereof, have been produced in the United States or originate in the United States. Dual-use Goods, or otherwise classified Goods supplied by Supplier should be clearly identified by their classification code.

19.2 For all Goods that qualify for application of Regional or Free Trade Agreements, General Systems of Preference or other preferential arrangements, it is the responsibility of the Supplier to deliver products with the appropriate documentary evidence (e.g. Supplier's declaration, preferential origin certificate/invoice declaration) to confirm the preferential origin status.

19.3 Supplier shall mark every Good (or the Good's container if there is no room on the Good itself) with the country of origin. Supplier shall, in marking the Goods, comply with the requirements of the customs authorities of the country of receipt. If any Goods are imported,

Supplier shall when possible allow Philips to be the importer of record. If Philips is not the importer of record and Supplier obtains duty drawback rights to the Goods, Supplier shall, upon Philips request, provide Philips with documents required by the customs authorities of the country of receipt to prove importation and to transfer duty drawback rights to Philips.

## **20. Limitation of Liability**

20.1. Subject to Clause 20.2 and applicable laws, neither Party excludes or limits its liability for death or personal injury arising from its own negligence, fraud, or for any liability that cannot by law be excluded or limited.

20.2 IN NO EVENT SHALL PHILIPS BE LIABLE UNDER ANY THEORY OF LIABILITY, FOR INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, WHICH INCLUDES WITHOUT LIMITATION DAMAGES FOR LOST PROFITS OR REVENUES, LOST BUSINESS OPPORTUNITIES, LOSS OF IMAGE OR LOST DATA, EVEN IF PHILIPS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES and in no event shall Philips be liable to Supplier, its successors or assigns for damages in excess of the amount due to Supplier for complete performance under the Agreement, less any amounts already paid to Supplier by Philips.

## **21. Force Majeure**

In the event that Supplier is prevented from performing any of its obligations under the Agreement for reason of force majeure (being an event unforeseeable and beyond the control of Supplier) and Supplier has provided sufficient proof for the existence of the force majeure, the performance of the obligation concerned shall be suspended for the duration of the force majeure. Philips shall be entitled to terminate the Agreement with immediate effect by written notice to Supplier, immediately if the context of the non-performance justifies immediate termination, and in any event if the circumstance constituting force majeure endures for more than thirty (30) days and, upon such notice, Supplier shall not be entitled

to any form of compensation in relation to the termination. Force majeure on the part of Supplier shall in any event not include shortage of personnel or production materials or resources, strikes, not officially declared epidemic or pandemic, breach of contract by third parties contracted by Supplier, financial problems of Supplier, nor the inability of Supplier to secure the necessary licenses in respect of software to be supplied or the necessary legal or administrative permits or authorizations in relation to the Goods or Services to be supplied.

## **22. Suspension and Rescission**

22.1. Without prejudice to any other right or remedy available to Philips under the Agreement or at law or in equity, Philips shall be entitled at its discretion to suspend the performance of its obligations under the Agreement in whole or in part or to declare the Agreement rescinded or terminated in whole or in part by means of written notice to Supplier in the event that:

- (a) Supplier files a voluntary petition in bankruptcy or any voluntary proceeding relating to insolvency, receivership, liquidation, assignment for the benefit of creditors or similar proceeding;
- (b) Supplier becomes the subject of a petition in bankruptcy or any proceeding relating to insolvency, receivership, liquidation, assignment for the benefit of creditors or similar proceeding;
- (c) Supplier ceases or threatens to cease to carry on business in the ordinary course;

Supplier breaches any of its obligations under the Agreement or Philips, in its reasonable discretion, determines that Supplier cannot or shall not deliver the Goods or perform the Services as required; or

- (d) Supplier fails to provide adequate assurance of performance following request by Philips.

22.2. Philips shall not be liable to Supplier by virtue of exercising any of the rights under Clause 22.1.

### **23. Confidentiality**

23.1. Supplier shall treat all information provided by or on behalf of Philips or generated by Supplier for Philips under the Agreement as confidential. All such information shall be used by Supplier only for the purposes of the Agreement. Supplier shall protect Philips' information using not less than the same degree of care with which it treats its own confidential information, but at all times shall use at least reasonable care. All such information shall remain the property of Philips and Supplier shall, upon Philips' demand, promptly return to Philips all such information and shall not retain any copy thereof. The existence and the contents of the Agreement shall be treated as confidential by Supplier. The parties agree that Philips would be irreparably injured by a breach of the Supplier's confidentiality obligations hereunder, or by any person to whom it discloses any confidential information, and that monetary damages would not be a sufficient remedy. Therefore, in such event, Philips shall be entitled to all available equitable relief, including injunctive relief without proof of actual damages, as well as specific performance. Such remedies shall not be deemed to be exclusive remedies for a breach of this Agreement but shall be in addition to all other remedies available at law or equity.

### **24. Miscellaneous**

24.1. Supplier will maintain comprehensive or commercial general liability insurance (including products liability, property damage and personal injury liability, and any other liability as may be requested by Philips) with, unless otherwise agreed by Philips, a minimum limit of five million Euro for claims of bodily injury, including death, and any other damages that may arise from use of the Goods or Services or acts or omissions of Supplier under the Agreement. Such insurance policies will be

written with appropriately licensed and financially responsible insurers. Supplier shall inform Philips of any cancellation or reduction in coverage with a minimum of 30 days prior written notice. Certificates of insurance evidencing the required coverage and limits and insurance policies shall be furnished to Philips upon Philips' request.

24.2. Supplier shall provide Goods and render Services hereunder as an independent contractor and not as an agent of Philips and nothing contained in the Agreement is intended to create a partnership, joint venture or employment relationship between the parties irrespective of the extent of economic dependency of Supplier on Philips.

24.3. Supplier shall not subcontract, transfer, pledge or assign any of its rights or obligations under the Agreement without the prior written consent of Philips. Any such pre-approved subcontracting, transfer, pledge or assignment shall be null and void and have no effect vis-à-vis such third party.

24.5. The rights and remedies reserved to Philips are cumulative and are in addition to any other or future rights and remedies available under the Agreement, at law or in equity.

24.6. Supplier shall provide Philips written notice of all product discontinuances twelve (12) months prior to the last order date, including as a minimum Philips part numbers, substitutions, and last order and shipment dates.

24.7. Neither the failure nor the delay of Philips to enforce any provision of the Agreement shall constitute a waiver of such provision or of the right of Philips to enforce each and every provision of the Agreement. No course or prior dealings between the parties and no usage of the trade shall be relevant to determine the meaning of the Agreement. No waiver, consent, modification or amendment of the terms of the Agreement shall be binding unless made in a writing specifically referring to the Agreement signed by Philips and Supplier.

24.8. In the event that any provision(s) of these General Conditions of Purchase and of the Agreement shall be held invalid, unlawful or unenforceable by a court of competent

jurisdiction or by any future legislative or administrative action, such holding or action shall not negate the validity or enforceability of any other provisions of the Agreement. Any such provision held invalid, unlawful or unenforceable, shall be substituted by a provision of similar import reflecting the original intent of the clause to the extent permissible under applicable law.

24.9. All terms and conditions of the Agreement which are destined, whether express or implied, to survive the termination or the expiration of the Agreement, including but not limited to Warranty, Intellectual Property, Confidentiality and Personal Data, shall survive.

24.10. The Agreement shall be governed by and construed in accordance with the laws of the country or state or province in which the Philips ordering entity is located, as applicable.

24.11. Supplier and Philips each consents to the exclusive jurisdiction of the competent courts in (i) the country or state or province in which the Philips ordering entity is located; or (ii) at the option of Philips, the jurisdiction of the entity of Supplier to which the order was placed, or (iii) at the option of Philips, for arbitration in which case Clause 24.12 applies. Supplier hereby waives all defenses of lack of personal jurisdiction and forum non-convenience.

24.12. If so chosen by Philips in accordance with Clause 24.11, any dispute, controversy or claim arising out of or in connection with this Agreement, or their breach, termination or invalidity shall be finally settled solely under the International Chamber of Commerce Rules of arbitration, which Supplier and Philips declare to be known to them. Supplier and Philips agree that: (i) the appointing authority shall be the ICC-International Chamber of Commerce of Paris, France; (ii) there shall be three (3) arbitrators; (iii) arbitration shall take place in the jurisdiction of the Philips ordering entity or, at the option of Philips, the jurisdiction of the Supplier's entity having received the order; (iv) the language to be used in the arbitration proceedings shall be English; and (v) the material laws to be applied by the arbitrators shall be the laws as determined under Clause 24.10.

24.13. The United Nations Convention on International Sale of Goods shall not apply to the Agreement.

24.14 The parties hereto acknowledge that they have expressly requested and are satisfied that this Agreement and all related documents and notices be drawn up in English. Les parties reconnaissent qu'elles ont expressément exigé que le présent Contrat et tous les documents et avis qui s'y rattachent soient rédigés en anglais et s'en déclarent satisfaites.

Philips General Conditions of Purchase  
Version August 2021

List of deviations:

For the purpose of Clause 8.5 under (a) the following deviations shall apply:

- if Supplier is located in Croatia, Czech Republic, Denmark, Germany, Hungary, Poland, Slovakia, or Sweden within thirty (30) days from receipt of the correct invoice;
- if Supplier is located in France within (45) days from the end of the month of the receipt of the correct invoice;

For the purpose of clause 8.5 under (c) the following deviations shall apply:

- if Supplier is located in Turkey or South Africa within thirty (30) days from receipt of the correct invoice.