



Philips General Conditions of Purchase

Valid from January 2026 for Germany

1. Definitions

"Affiliate(s)" means any in relation to Philips or Supplier, any company, firm or legal entity ("Person") which is directly or indirectly (i) owned or controlled by that party; (ii) owning or controlling that party; or (iii) owned or controlled by a Person owning or controlling that party, but any such legal entity shall only be considered an Affiliate for as long as such ownership or control exists. For the purpose of this definition, an entity is controlled if more than 50% of its voting stock is owned by the controlling entity or if such controlling entity has the ability to direct the business activities or appoint the majority of the directors, of the Person concerned tors.

"Agreement" means any binding Agreement entered into in accordance with Clause 2.12.1 of these GCP.

"Applicable data protection law" means all applicable law pertaining to the Processing of Personal Data hereunder.

"Good Industry Practice" means the proven standard of skills, care, prudence and protection, as well as the use of technologies, techniques, measures and methods that a leading professional provider of similar Goods, Works or Services would use to ensure quality, safety and compliance.

"Goods" refers to both tangible and intangible goods, including software and associated documentation and packaging.

"Intellectual Property Rights" (or "IPRs") means patents, utility certificates, utility models, industrial design rights, copyrights, 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 Transaction 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).

"Personal Data" means information about an identified or identifiable natural person.

"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, materials, data structures and documentation accessed by Supplier in performing the Agreement or generated by (an IT system of Supplier) or accessed by Supplier in performing the Services.

"Processing" means any operation or set of operations performed or to be performed on 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 and Work to be performed by Supplier for Philips under the Agreement.

"Supplier" refers to any natural person, legal entity or organisation that enters into the Agreement as Supplier or contractor.

"Work" or **"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

"GCP" refers to these Philips General Conditions of Purchase.

"Purchase Order" or "PO" means an order or purchase order from Philips.

2. Formation of the Agreement

- 2.1 These GCP, 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 Agreement shall be formed. Such Agreement is limited to these GCP as specified on the face and reverse of this document, 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 hereby expressly rejects Supplier's general conditions of sale and shall not be bound by said conditions and any other terms or provisions that may appear on any proposal, quotation, price list, acknowledgment, invoice, packing slip or the like of Supplier. Course of performance, course of dealing, and usage of trade shall not be applied to modify these GCP.
- 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; all dates referred to in the Agreement shall be firm. If 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.

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 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, (iv) Harmonized System Classification, (v) country of origin, (vi) net value and (vii) 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 The statutory provisions (Sections 377, 381 of the German Commercial Code (HGB)) apply to the commercial obligation to inspect and give notice of defects, subject to the following proviso: Philips' obligation to inspect is limited to defects that are apparent during Philips' incoming goods inspection based on external examination, including the delivery documents (e.g. transport damage, incorrect or short delivery) or that are detectable during Philips' quality control based on random sampling. If acceptance has been agreed or is required by law, there is no obligation to inspect. In all other respects, it depends on the extent to which an inspection is feasible in the ordinary course of business, taking into account the circumstances of the individual case. The obligation to give notice of defects discovered later remains unaffected. Notwithstanding the obligation to inspect, a complaint (notification of defects) shall in any case be deemed to have been made immediately and in good time if it is sent within 14 working days of discovery or, in the case of obvious defects, of delivery.
- 6.4 If Philips notifies Supplier of a defect in the Goods, Supplier shall collect these Goods from Philips at its own expense within two (2) weeks of the notification of defects. If the Goods are not collected within two (2) weeks, Philips shall be entitled to return the Goods to the Supplier at the Supplier's expense and risk, to store them or, with the Supplier's consent, to destroy them. The rights and remedies in accordance with Clause 10 do apply.
- 6.5 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 and Works performed. If Philips does not accept the Services or Work as being in accordance with the contract due to defects, Philips may, at its discretion, assert claims for performance or claims for defects. In the latter case, the rights and claims under Clause 10 shall apply accordingly, with the addition that with the addition that a claim for advance payment of costs for self-performance only exists if the Supplier definitively refuses subsequent performance or the Agreement has been terminated by cancellation. Philips shall inform the Supplier without delay if Philips refuses acceptance.

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 All prices are gross amounts but exclusive of any value added tax (VAT), sales tax, GST, consumption tax or any other similar tax only. If the transactions set out in the Agreement are subject to any applicable VAT, sales tax, GST, consumption tax or any other similar tax, Supplier may charge 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 of delivery has been completed as per Clause 4.2 but ultimately within six months from delivery, Supplier shall, in compliance with Philips' instructions regarding the invoicing process, issue an invoice in electronic form 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.
- 8.4 Any license fees shall be included in the price.
- 8.5 Subject to Philips' approval of the Goods and acceptance of the Services and Works, and unless otherwise specified in the Purchase Order, payment shall be made within thirty (30) days of Philips receiving a valid invoice.
- 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 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. **Supplier Warranty**

- 9.1 The Supplier warrants that the Goods, Services and Work Products:
 - 9.1.1 are suitable for their intended purpose and are new, marketable, of good quality and free from defects in design, material, construction and workmanship;
 - 9.1.2 strictly comply with the specifications, approved samples and all other requirements under the Agreement;
 - 9.1.3 do not and shall not, alone or in any combination, infringe or violate any third party (including Supplier's employees and subcontractors) IPRs;
 - 9.1.4 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;
 - 9.1.5 in the case of Goods with digital elements or other digital content, Supplier shall be responsible for providing and updating the digital content in any case to the extent that this results from a specification in accordance with Clause 9.1.2 or other product descriptions by the manufacturer or on its behalf, in particular on the Internet, in advertising or on the product label;
 - 9.1.6 be free of encumbrances, liens and third-party rights, in particular free of encumbrances in rem;
 - 9.1.7 do not contain any Open Source Software;
 - 9.1.8 be developed, manufactured, delivered and provided in accordance with the applicable legal provisions and regulations, in particular also in accordance with the Electrical and Electronic Equipment Ordinance (ElektroStoffV), environmental, occupational health and safety regulations and accident prevention regulations, labour law, the Product Safety Act (ProdSG) and the Electrical and Electronic Equipment Act (ElektroG);



9.1.9 be developed, manufactured, delivered and provided in compliance with social, human rights, environmental and governance laws and other regulations, in particular in accordance with the Supply Chain Due Diligence Act (LkSG), in accordance with the applicable Philips Human Rights Strategy Statement (available at: <https://www.philips.de/a-w/about/environmental-social-governance>) and the currently valid version of the Sustainability Declaration for Suppliers (<https://www.philips.com/c-dam/corporate/about-philips/company/Suppliers/Supplier-sustainability/policies/philips-Supplier-sustainability-declaration.pdf><https://www.philips.com/c-dam/corporate/about-philips/company/suppliers/supplier-sustainability/policies/philips-supplier-sustainability-declaration.pdf>);

9.1.10 are provided with and accompanied by all information and instructions necessary for proper and safe use; including all packaging and components supplied to Philips, comply with the list of regulated substances (RSL) available at <http://www.philips.com/shared/global/assets/Sustainability/rsl.pdf> or sent to the Supplier upon first written request. The Supplier shall provide Philips with all information necessary to enable Philips to comply with these laws, regulations and provisions when using the Goods, Works and Services. The Supplier agrees to register and use BOMcheck (www.bomcheck.net) upon request by Philips to submit substance compliance declarations, including ROHS, REACH and other applicable regulatory requirements, by submitting declarations in BOMcheck to fully comply with the Philips RSL, unless otherwise agreed with Philips. The Supplier shall also comply with future RSL changes communicated to it by BOMcheck or through other non-registered correspondence and shall fully comply 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; and

9.1.11 are accompanied by written, detailed information about their composition and characteristics to enable Philips to transport, store, process, use and dispose of these Goods properly and safely.

9.2 The above warranties are not exhaustive and do not exclude other statutory warranties, representations by the Supplier, customary warranties by the Supplier, or other rights and guarantees to which Philips may be entitled. The warranties referred to in Clause 9.1 shall apply in addition and to both Philips and its customers. Delivery, inspection, acceptance, payment or resale of the Goods and Works shall not affect the warranty.

9.3 The warranty period for warranties is 36 months from delivery of the Goods and, in the case of Works, from acceptance of the Works; in the event of longer statutory limitation periods or deviating agreements in the Agreement, these shall apply ("warranty period").

9.4 In the event of subsequent performance within the warranty period, the warranty period for repaired or replaced Goods is 24 months from delivery and, in the case of Works, from acceptance, but at least until the original warranty period expires.

10. Liability for breach of warranties

10.1 In the event of defective Goods, Services or Works that do not comply with the warranties or are otherwise not in accordance with the Agreement, Philips shall be entitled to:

10.1.1 at its discretion, demand immediate rectification of the defect or replacement delivery free of charge ("subsequent performance"); and

10.1.2 reduce the price, withdraw from the Agreement in whole or in part, or demand compensation in lieu of performance if the subsequent performance remains unsuccessful after the expiry of a reasonable period set by Philips; Philips is directly entitled to these rights if a grace period for subsequent performance was not required under statutory provisions. The right to demand compensation is not excluded by the withdrawal.

10.2 In the case of Services and Works, Philips also has the right, if the statutory requirements are met, to remedy the defect itself and to demand reimbursement of the necessary expenses.

10.3 The Supplier shall bear all costs of subsequent performance and transport of the defective Goods, Services or Work; it shall reimburse Philips for all costs and expenses incurred as a result (in particular testing, installation, removal, processing and storage costs). Philips may also demand reimbursement of costs incurred in connection with investigations if Philips is forced to carry out goods receipt inspections beyond the usual random sampling due to the above-average occurrence of defects. In the event of defects that only become apparent during the processing or treatment of the Goods or Works by Philips or during use, Philips shall be entitled to demand reimbursement of any costs incurred in vain.

10.4 The risk of accidental loss and damage to defective or non-contractual Goods, Services and Works shall pass to the Supplier on the date of notification of the defect.

10.5 Other contractual or statutory rights or claims (including claims for damages of any kind) remain unaffected by the above provisions. Philips shall be entitled to the statutory claims for expenses and recourse within the supply chain (supplier recourse pursuant to Sections 445a, 478, 445b, or 445c, 327(5), 327 u BGB) without restriction in addition to its claims for defects.

11. **Ownership and Intellectual Property**

11.1 All Works, machines, tools, drawings, specifications, raw materials and other goods and materials provided to the Supplier by or on behalf of Philips for the purpose of fulfilling the Agreement are and remain the exclusive property of Philips. All Works, machines, tools, drawings, specifications, raw materials and other goods and materials paid for by Philips shall become the property of Philips at the time of their manufacture. Any processing shall be carried out by the Supplier on behalf of Philips. If the Supplier acquires co-ownership through combination or mixing, it hereby assigns its co-ownership share to Philips, and Philips hereby accepts it. The transfer shall be replaced by storage free of charge by the Supplier. Philips' property may not be transferred to third parties without Philips' written consent. All information in this regard shall be treated as confidential and is the property of Philips. All of the aforementioned items shall be provided exclusively for the purpose of executing Philips' orders. They must be marked as the property of Philips and stored at the Supplier's risk. They must be kept in good condition and, if necessary, replaced by the Supplier at the Supplier's expense, subject to Philips' prior consent. They shall be subject to periodic inventory checks by the Supplier at Philips' request, provided that such requests are made at reasonable intervals. Upon first request by Philips, they shall be handed over to Philips without delay. Items that constitute a replacement for Philips' property shall become the sole property of Philips. The handover shall be replaced by the storage of the items for Philips free of charge. If the Supplier places an order with a subcontractor for the manufacture of tools, machines or samples for the performance of the Agreement and Philips pays for the tools, machines or samples, the Supplier shall transfer its ownership claim to the tools, machines and samples from the subcontractor to Philips. However, unless otherwise agreed in writing, the Supplier shall procure all machinery, tools and raw materials necessary for the fulfilment of its contractual obligations at its own expense.

11.2 The purchase of Goods and the ordering of Services and Works grants Philips and its Affiliates an irrevocable, worldwide, fully paid-up, non-exclusive, perpetual licence, with the right to sublicense, under all IPRs directly or indirectly owned or controlled by the Supplier, to use, manufacture, manufacture, installation, marketing, sale, rental, licensing, distribution and other disposal, including, but not limited to, machinery, tools, drawings, designs, software, demos, moulds, specifications or parts.

11.3 Philips retains all intellectual property rights to all samples, data, Works, materials, property rights and other items provided to the Supplier by or on behalf of Philips. All Works produced or acquired by the Supplier, its employees or agents for Philips under the Agreement shall become the exclusive property of Philips upon their creation, together with all intellectual property rights and claims. Philips shall receive the irrevocable, exclusive right to use all copyright-protected Works for all types of use, including the right to modify and transfer them. Philips shall also be entitled to the irrevocable, exclusive right to use, including the right to modify and transfer, any types of use not yet known at the time of conclusion of the Agreement, upon request. The additional remuneration to the author for this shall be based, to the extent permitted by law, on the additional benefit achieved for Philips and shall be determined in comparison to the remuneration agreed for the types of use known at the time of conclusion of the Agreement. The Supplier shall sign and deliver all necessary documents and shall do everything necessary or desirable to comply with the provisions of this clause.

11.4 The Supplier shall have no rights, claims or interests in the samples, data, Works, materials, trademarks, property rights and other items belonging to Philips. The delivery of Goods and/or the provision of Services or the delivery of packaging bearing the Philips trademark or brand name – alone or in conjunction with other Services – does not entitle the Supplier to any rights or claims to the trademarks and brand names. Without the prior written consent of Philips, the Supplier shall not use any trademarks, brand names or other marks in relation to the Goods and Services, either alone or in conjunction with other marks. Any use of a trademark, brand name or other mark authorised by Philips shall be exclusively in accordance with Philips' instructions and for the purpose specified by Philips.

11.5 The Supplier shall not refer to Philips in press releases, advertisements, sales brochures or in any other form without the prior written consent of Philips.

12. **General indemnities and liability for defects of title/IPR**

- 12.1 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 suits, actions, legal or administrative proceedings, claims, demands damages, judgments costs and expenses (including but not limited to loss of profit, indirect, incidental, consequential damages and reasonable attorneys' fees) in connection with:
 - 12.1.1 any third party claim that any of the Good, Works or Services alone or in any combination or their use infringes any third party IPRs; or
 - 12.1.2 acts, omissions, errors, liability for defects, breach of representations and warranties, breach of a contractual obligation or other obligation, product liability or negligence of the Supplier or its vicarious agents in connection with the Goods, Works, Services or other information provided by the Supplier to Philips.
- 12.2 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 and if directed by Philips, Supplier shall defend any such claim at Supplier's own expense.
- 12.3 If delivered Goods, Works or Services provided – alone or in combination – infringe the rights of third parties or otherwise have a legal defect, and their use is thereby prohibited or restricted, the Supplier shall, at Philips' instruction and at its own expense, either:
 - 12.3.1 obtain a licence or right for Philips and the customer to use the Goods, Works or Services alone or in combination; or
 - 12.3.2 replace or modify the Goods, Works and Services, either alone or in combination, with a functional equivalent that is free of intellectual property rights.
- 12.4 If the Supplier fails to obtain the right for Philips to use (alone or in combination) the Goods, Works or Services, or to replace or modify the Goods, Works or Services accordingly, Philips may withdraw from or terminate the Agreement. In this case, the Supplier shall reimburse Philips for the price or remuneration. The Supplier's obligation to indemnify pursuant to Clause 12.1 shall remain unaffected.
- 12.5 The Supplier's liability for damages and reimbursement of expenses in accordance with the statutory provisions shall remain unaffected by Clause 12.

13. **Limitations of liability**
 - 13.1 Neither party excludes or limits its liability or that of its vicarious agents in connection with:
 - 13.1.1 death, bodily injury, damage to health, product liability under the Product Liability Act,
 - 13.1.2 gross negligence and intent, malice, breach of guarantees,
 - 13.1.3 breach of contractual obligations whose fulfilment is essential for the proper execution of the Agreement, on whose fulfilment the other party may normally rely and whose breach jeopardises the purpose of the Agreement
 - 13.1.4 as well as for other cases in which liability is mandatory by law.
 - 13.2 Subject to clause 13.1, PHILIPS SHALL UNDER NO CIRCUMSTANCES AND UNDER NO THEORY OF LIABILITY BE LIABLE FOR INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING, BUT NOT LIMITED TO, DAMAGES FOR LOST PROFITS OR REVENUES, LOST BUSINESS OPPORTUNITIES, LOSS OF IMAGE OR LOSS OF DATA, EVEN IF PHILIPS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, and in no event shall Philips be liable to the Supplier, its successors or assigns for damages in excess of the amount payable to the Supplier for the complete performance of the Agreement, less any amounts already paid by Philips to the Supplier.
14. **Compliance with Laws**
 - 14.1 Supplier shall at all times comply with all laws, rules, regulations, and ordinances applicable to the Agreement, including,

but not limited to, all fair labor, 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 the United States, and the Goods and/or Services are sold to Philips under federal contract or subcontract, all applicable procurement regulations required by federal statute or regulation to be inserted in Agreements 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.

14.2 The Supplier confirms to Philips that (i) it pays the statutory minimum wage and undertakes to continue to comply with the requirements of the Minimum Wage Act ("MiLoG") in the future; (ii) it is not excluded from public procurement under the Minimum Wage Act and undertakes to notify Philips immediately in writing in the event of exclusion (iii) it obliges its subcontractors, vicarious agents, representatives and temporary employment agencies to comply with the Minimum Wage Act and to confirm such compliance accordingly; and (iv) in the case of continuing obligations, successive delivery Agreements and framework agreements, it will submit a binding declaration of compliance with the above obligations to Philips every six months from the conclusion of the Agreement without being requested to do so.

14.3 In the event that the Supplier and its employees are to work in an institution pursuant to Section 23 (3) sentence 1 or Section 33 (1) to (4) of the Infection Protection Act ('IfSG') in the course of providing Services, Supplier undertakes to only employ employees who have the necessary certificates in accordance with Section 20 (9) IfSG and to present these to the management of the respective facility or another legally designated body before commencing their Services. Supplier undertakes to impose a corresponding obligation on its subcontractors.

14.4 The Supplier shall not only comply with the requirements of the applicable human rights strategy declaration itself, but shall also address them appropriately to the Suppliers in its supply chain. The current Human Rights Strategy Statement can be found at: <https://www.philips.de/a-w/about/environmental-social-governance>. The Supplier agrees to provide Philips or a third party commissioned by Philips with the following information in order to enforce human rights and environmental expectations (i) information on the Supplier's compliance with the requirements, (ii) enable training of the Supplier, and (iii) enable risk-based controls (audits) at the Supplier and provide the best possible support for these.

15. **Privacy and Data Protection**

15.1 Where Philips processes Personal Data of Service Provider for its own purposes, Philips will process such Personal Data in accordance with the Philips Privacy Notice, available at <https://www.philips.com/privacy> (as updated from time to time).

15.2 Where Supplier processes Personal Data originating from Philips for its own purposes, Supplier shall comply with applicable data protection laws.

15.3 Where Supplier processes Personal Data on behalf and under the instructions of Philips, such processing shall be governed by the Data Processing Agreement ("DPA"), available at [\[Privacy and Data Protection Schedule | Philips\]](#), which Philips may update from time to time.

16. **Information Security**

16.1 Ownership of 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.

16.2 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, IPRs and assets based on the principles of confidentiality, integrity and availability.

17. **Export Controls Compliance**

17.1 Parties shall comply with all applicable international and national export control and sanctions laws and regulations and

shall not export, re-export or transfer, 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 or entity requires an export license or other governmental approval, without first obtaining such license or approval.

- 17.2 If applicable for the procured Services and Goods, 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) International Transactions Data shall be encrypted at rest and in transit.
- 17.3 Supplier agrees to inform Philips in writing whether or not the supplied Goods (including related information, incorporated software and technology and hosted application), Work Product and/or Services are US-controlled, subject to the EAR and/or controlled under the export control laws of its own 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).
- 17.4 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. **Costums Compliance**

- 18.1 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.
- 18.2 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 of 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.

19. **Force Majeure**

Force majeure is an external, unforeseeable and unavoidable event that cannot be prevented even with the application of extreme care that can reasonably be expected in the circumstances (e.g. natural disasters, war, acts of terrorism, pandemics, official orders). In the event that the Supplier is prevented from fulfilling its obligations under the Agreement due to force majeure and the Supplier has sufficiently proven the existence of force majeure, the Supplier shall be released from its affected performance obligations for the duration and scope of the force majeure. The Supplier shall make every reasonable effort to limit the effects and duration of the force majeure event. Philips shall be entitled to terminate the Agreement in whole or in part with immediate effect by written notice to the Supplier if the event of force majeure lasts longer than thirty (30) days. Services already rendered shall be invoiced and remunerated in accordance with the statutory provisions. Further claims, in particular claims for damages, are excluded, unless mandatory statutory provisions dictate otherwise. Force majeure on the part of the Supplier shall in no case include: (i) staff shortages, (ii) shortages of production materials or resources, (iii) strikes, (iv) an epidemic or pandemic that has not been officially reported, (v) a breach of Agreement by a third-party contractor, (vi) financial problems on the part of the Supplier, (vii) the Supplier's inability to obtain the necessary licences for the software to be delivered, or (viii) failure to obtain the necessary legal or regulatory approvals or authorisations in relation to the Goods, Works or Services. The above provisions shall apply mutatis mutandis if the force majeure event prevents Philips from fulfilling its obligations under the Agreement.

20. **Suspension, Rescission and Termination**

- 20.1 Without prejudice to any other right or remedy available to Philips under the Agreement or at law, Philips shall be entitled to suspend the performance of its obligations under the Agreement in whole or in part in the event that:
 - 20.1.1 Supplier files petition in bankruptcy or any voluntary proceeding relating to insolvency, receivership, liquidation,

assignment for the benefit of creditors or similar proceeding;

- 20.1.2 Supplier becomes subject of a petition to open insolvency proceedings, bankruptcy proceedings, business dissolution or asset transfer to or in favour of creditors or similar proceedings concerning the Supplier's assets, or enforcement proceedings are initiated against the Supplier;
- 20.1.3 Supplier ceases or threatens to cease to carry on business in the ordinary course;
- 20.1.4 the Supplier breaches an obligation under the Agreement; or
- 20.1.5 the Supplier fails to provide sufficient assurance, at Philips' request, that it will perform the Agreement.
- 20.1.6 the Supplier fails to make any of the declarations to be made in accordance with Clause 14.2 or Philips becomes aware of facts that give rise to the suspicion that the Supplier is not properly complying with its obligations under the Minimum Wage Act.

20.2 Notwithstanding all other contractual and statutory rights, Philips shall also have the right, at its discretion, in the cases referred to in Clause 20.1, to terminate the agreement in whole or in part (or to withdraw from it) by giving written notice to the Supplier. In the case of clause 20.1.4, however, this shall only apply if the Supplier has breached an obligation under the agreement in a manner that is not insignificant or has breached a material obligation and a previously set deadline for remedial action has expired without success or the Supplier has been warned without success.

20.3 Philips may terminate the Agreement at any time with at least 10 days' notice. In this case, Philips shall reimburse the Supplier for reasonable costs incurred up to the date of termination of the Agreement. § 648 of the German Civil Code (BGB) remains unaffected.

20.4 The Supplier must notify Philips in writing of all product discontinuations twelve (12) months prior to the last order date, specifying at least the Philips part numbers, replacement products and the last order and shipping dates.

21. **Confidentiality**

- 21.1 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, in line with Good Industry Practice. 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.
- 21.2 The existence and content of the Agreement shall be treated as confidential by the Supplier.
- 21.3 Notwithstanding the above obligations, Supplier undertakes to treat all patient data that becomes known to him in the course of his work as strictly confidential in accordance with Section 203 of the German Criminal Code (StGB) and not to disclose it to third parties without authorisation. This obligation shall continue to apply even after the contractual relationship has ended. The contractor shall expressly oblige all employees who may have access to such data to maintain confidentiality in accordance with Section 203 of the German Criminal Code (StGB) in writing before commencing work.

22. **Miscellaneous**

- 22.1 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 two million and five hundred thousand 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.
- 22.2 The Supplier shall perform the contractual deliveries and Services as an independent contractor and not as a representative of Philips. It is not intended to establish a partnership, joint venture or employment relationship. This applies regardless of any economic dependence of the Supplier on Philips.

- 22.3 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 subcontracting, transfer, pledge or assignment which is not pre-approved by Philips in writing shall be null and void and have no effect vis-à-vis such third party.
- 22.4 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.
- 22.5 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.
- 22.6 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 any provision under 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.
- 22.7 In the event that any provision(s) of these GCP 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.
- 22.8 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 Supplier Warranty, Indemnification, Limitation of Liability, Ownership and Intellectual Property, Confidentiality, Privacy and Data protection and Export Controls Compliance, shall survive.
- 22.9 The GCP and the Agreement shall be governed by and construed in accordance with the laws of the country in which the ordering Philips company is located. Conflict of law provisions and the United Nations Convention on Contracts for the International Sale of Goods shall not apply.
- 22.10 If the Supplier is a merchant within the meaning of the German Commercial Code, a legal entity under public law or a special fund under public law, the exclusive – including international – place of jurisdiction for all disputes arising from the contractual relationship shall be the registered office of the ordering Philips company. The same applies if the Supplier is an entrepreneur within the meaning of § 14 of the German Civil Code (BGB). Mandatory statutory provisions, in particular those relating to exclusive jurisdiction, remain unaffected.
- 22.11 Notwithstanding Clause 22.10, Philips shall in all cases be entitled to alternatively (i) bring an action at the place of performance of the delivery obligation or of a prior individual agreement or at the general place of jurisdiction of the Supplier, or (ii) submit the matter in dispute to the jurisdiction of the arbitration tribunal in accordance with Clause 22.12. Mandatory statutory provisions, in particular those relating to exclusive jurisdiction, remain unaffected.
- 22.12 If Philips opts for arbitration, all disputes and claims arising from or in connection with this Agreement shall be subject to the arbitration rules of the International Chamber of Commerce known to the parties, which shall also apply to breaches of Agreement, terminations and questions of invalidity. The parties agree that (i) the International Chamber of Commerce in Paris, France (ICC) shall have the authority to appoint the arbitrators, (ii) there shall be three arbitrators, (iii) the proceedings shall take place in Hamburg, Germany, or, at Philips' option, at the registered office of the Supplier from whom the order was placed, (iv) the language of the proceedings shall be English, and (v) the substantive law specified in Clause 22.9 shall apply.
- 22.13 Unless otherwise agreed, the German version of the GCP shall prevail over the English language version.